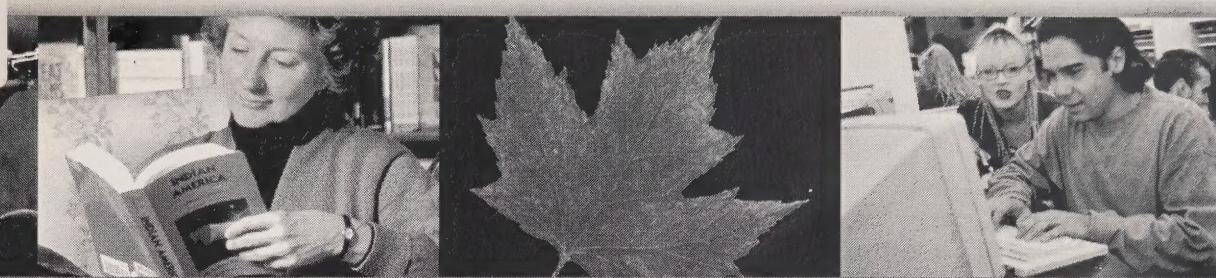




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# Connecting to the Canadian Experience:

## Diversity, Creativity and Choice

The Government of Canada's Response to *A Sense of Place, A Sense of Being*, the Ninth Report of the Standing Committee on Canadian Heritage

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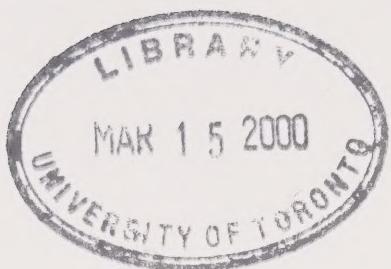
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Minister  
of Canadian Heritage



Ministre  
du Patrimoine canadien

Ottawa, Canada K1A 0M5

November 1999

Mr. Clifford Lincoln, M.P.  
Chair  
Standing Committee on Canadian Heritage  
Room 640, 180 Wellington Street  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Mr. Lincoln:

I am pleased to enclose the Government Response to the Ninth Report of the Standing Committee on Canadian Heritage, pursuant to Standing Order 108(2), tabled on June 10, 1999, and entitled *A Sense of Place, A Sense of Being: The Evolving Role of the Federal Government in Support of Culture in Canada*.

On November 5, 1997, as the Committee opened the study, you will recall that I invited you "to ensure, as a Government, as a country, and as a Committee... we have the necessary tools to safeguard our own culture, and to tell our own stories".

On behalf of the Government, I would like to express our appreciation to the Committee for providing important advice that has helped to shape the Government's priorities and will continue to guide the development of our policies and programs.

I would also like to thank the many artists, organizations and individuals who took the time to present their views.

In the time that the Committee started and completed its work, the Government has had to respond to a number of specific challenges in the cultural sector. For example, the Government increased funding for the Canada Council for the Arts, established a Multimedia Fund, renewed the Canadian Television Fund (CTF), responded to a WTO challenge on magazines and received the report of the Cultural Industries Sectoral Advisory Group on International Trade (SAGIT) calling for a new cultural instrument for international trade.

The Government Response to your report reflects the initiatives we took to respond to immediate challenges and is guided by the October 12, 1999 Speech from the Throne, which clearly sets out Canadian cultural diversity as central to our quality of life.

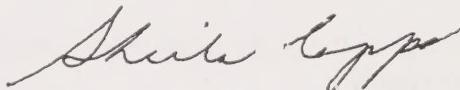
Our goal is clear: to ensure that Canadians have Canadian choices and to connect Canadians to the diverse Canadian experience. This means focussing on the creation of diverse Canadian content, and supporting creators, artists and innovators. It means enhancing the capacity of cultural organizations, industries and institutions to build and retain audiences, and to seize the opportunities and meet the challenges of globalization and new technologies. It means finding ways to build connections among Canadians, across our diverse communities, to connect Canadians to the world, and to engage young Canadians in all that we do. It also means taking into account the uniqueness and distinct character of Québec culture and the needs and circumstances of French-language communities in other parts of Canada.

The Committee will not be surprised to learn that the Government agrees with almost all of the 43 recommendations of the report, *A Sense of Place, A Sense of Being*. Different approaches or mechanisms may be undertaken or considered to fulfill the same or similar goals. In one particular recommendation, you suggested changes to the Cabinet Committee system. The Government's preferred approach is to find collaborative mechanisms within the existing structure to deal effectively with horizontal and cross-cutting challenges.

The Government's response to the Standing Committee's report is in two sections: the first sets out a general framework; the second provides more detailed responses to each of the Committee's recommendations.

On behalf of the Government, I wish to thank you and the members of the Standing Committee on Canadian Heritage for your commitment to the study over the last two years and for the important contribution of your work to the richness of Canadian cultural activity in the coming decades.

Yours sincerely,



Sheila Copps

## **CONNECTING TO THE CANADIAN EXPERIENCE: DIVERSITY, CREATIVITY AND CHOICE**

The Government of Canada's Response to  
*"A Sense of Place, A Sense of Being"*

The Ninth Report of the Standing Committee on Canadian Heritage

### **INTRODUCTION**

We live in a world where knowledge is key; where information and communications technologies can make distance immaterial and time of the essence; where events taking place across the globe have an impact on our communities; and where markets and trade increasingly know no borders.

In such a world of rapid change, culture and heritage are more important than ever. It is by knowing who we are and where we come from, by creating and communicating our stories, by connecting to each other, and by building and strengthening our communities that we reach out to the world with confidence. It is by being rooted in "a sense of place, a sense of being" that Canadians will prosper, that our communities will thrive, and that we will marshal the forces of globalization and technology to our benefit. And it is our artists, creators and innovators that help us connect to each other, reflect and challenge our reality, strengthen our shared experiences, and build bridges to the world.

*"In a world where human development, quality of life and economic prosperity are increasingly driven by knowledge and creativity, who better to lead the way than our artists, writers and performers".*

The Right Honourable Jean Chrétien, Prime Minister of Canada, Response to the Speech from the Throne, 13 October 1999

The Standing Committee on Canadian Heritage, in its aptly named report, *A Sense of Place, A Sense of Being*, has recognized the importance of culture in its broadest sense for a strong and prosperous Canada as we enter the 21st century. By acknowledging the complexity of Canada's cultural landscape and by embracing a broad concept of culture as "those creative things we choose to do as we live together as citizens of Canada and the world", the Committee's report puts culture at the centre of Canadian social and economic activity. It recognizes that culture plays an instrumental role in how Canadians relate to each other, their communities and their institutions, including their governments. Cultural development fuels our capacity to be creative and innovative. It affects our relations with other countries in areas ranging from trade to the promotion of human rights. And it affects our evolution as a country helping us to understand each other and work together for the common good. It also contributes significantly to our economic growth and, because it is labour intensive, to job creation.

In capturing the views and passions of Canadians about their culture and heritage, the Standing Committee has taken a strategic approach that cuts across traditional categories such as visual and performing arts, cultural industries, broadcasting and so on. The Committee recognizes that all these categories and disciplines are interdependent, and to some extent, converging. What really matters, as the Committee reports, is what keeps cultural expression alive and thriving, no matter what form it takes or through which medium it reaches an audience. In setting out this approach, the Committee has done a great service to the process of policy development and to the interests of Canada and Canadians. Committee members are to be congratulated.

The Government of Canada welcomes the Report's recommendations and the Committee's efforts to tie them to broad themes and measurable initiatives. The Government is pleased to be able to report that of the 43 recommendations in *A Sense of Place, A Sense of Being*, action has either already been taken, is underway or will be considered in depth for 42. Only one of the recommendations will not be pursued at this time by the Government.

The Government of Canada supports the assertion of the Committee that we do not have the luxury of a decade or two to adapt to the forces of change. That is why it has acted on or is in the process of addressing almost all of the Committee's recommendations, and that is also why the Government will take steps to strengthen Canadians' understanding of and attachment to each other, to our country and its history, and to our place in the world.

The Government's Response to the Standing Committee's report is in two sections: the first sets out a general framework, the second provides more detailed responses to each of the Committee's recommendations.

### **A FRAMEWORK FOR GOVERNMENT SUPPORT OF CULTURE**

The Government views its Response to the Standing Committee's Report as an opportunity to set out the government's overall framework for "cultural affirmation". The Government of Canada has a long history of success in supporting and nurturing cultural activity, a commitment which was reiterated in the Government's October 12, 1999 Speech from the Throne, and by the Prime Minister in his Response on the following day.

Over the years, the Government has developed a comprehensive series of policies, programs, regulations and institutions to encourage, nurture and support culture in Canada. Rather than repeating the Standing Committee's review of these measures, the Response sets out the Government's key objectives and gives an indication of the initiatives likely to be developed over the next few years to meet the new challenges identified by the Committee.

The Government's framework for the support of culture is based on a broad definition of culture. It focuses on Canadian works and the creators who produce them—and like the Standing Committee's Report, the Government's framework is designed to support the cultural continuum, from creation to production, distribution, preservation and consumption. The measures and

instruments that underpin the framework are designed to strengthen the capacity of artists, arts organizations, cultural industries, and communities to innovate and thrive. The Government's framework relies on a wide range of partnerships to achieve its goal—partnerships across the federal government, with other levels of government, with artists, cultural and voluntary organizations, communities and the private sector.

The goal is clear: to ensure that Canadians have Canadian choices and to connect Canadians to the diverse Canadian experience. This means emphasizing diverse content, creativity, innovation, and capacity building. It means focussing on young Canadians. It means creating opportunities for Canadians to connect to one another and to the world. It also means taking into account the uniqueness and distinct character of Québec culture and the needs and circumstances of French-language communities in other parts of Canada.

The Government's framework is not organized around sectors or departmental mandates. Like the Standing Committee, the Government of Canada recognizes that there is too much interdependence among sectors, institutions, disciplines, jurisdictions and organizations to carve up an agenda for culture based on who does what. Of far more importance to Canadians is what needs to be done. By establishing clear goals, by putting in place the right policies, measures and instruments to achieve these goals, and by working in partnership with other levels of government, the private sector, communities and individual citizens, the Government of Canada believes that artists and creators, as well as Canadians and their communities and institutions, will have more capacity to build and strengthen the connections that shape our culture and through which we define who we are and our place in the world.

As culture is central to our lives and not easily compartmentalized, many departments and agencies play a role in supporting cultural activity. Federally, the Canadian Heritage Portfolio plays the central and most

Components of the  
Canadian Heritage Portfolio

Department of Canadian Heritage  
Canadian Heritage Information Network  
Canadian Conservation Institute  
Moveable Cultural Property Export Review Board  
Canada Council for the Arts  
Canadian Broadcasting Corporation  
Canadian Museum of Civilization  
Canadian Museum of Nature  
Canadian Race Relations Foundation  
Canadian Radio-television and  
Telecommunications Commission  
National Archives of Canada  
National Arts Centre  
National Battlefields Commission  
National Capital Commission  
National Film Board of Canada  
National Gallery of Canada  
National Library of Canada  
National Museum of Science and Technology  
Parks Canada Agency  
Public Service Commission  
Status of Women  
Telefilm Canada

comprehensive role. The Portfolio agencies and Crown corporations are among the key Canadian cultural institutions that support artistic expression, create, promote, regulate and disseminate Canadian choices to Canadians, and preserve and protect our cultural heritage and shared history.

Clearly many other departments and agencies are and must also be involved. In fact, because of the increasing interconnection of cultural issues, all Government of Canada departments and agencies have a role to play in building and strengthening our culture. For example, Industry Canada helps Canadians connect to the Internet and Human Resources Development Canada contributes to national professional development in the arts. The Department of Foreign Affairs and International Trade promotes Canadian artists and cultural products abroad. The Department of Indian Affairs and Northern Development supports 78 established centres to preserve, develop and express the cultural heritage of Aboriginal peoples.

The Government of Canada's cultural framework is designed to apply across the federal government and to encourage the development of cooperative initiatives and partnerships with other levels of government, the private and voluntary sectors, and individual Canadians. To strengthen the Government's partnership with artists and arts professionals, and to provide the Government with advice on the evolution of its cultural framework, the Minister of Canadian Heritage will meet at least once a year with a roundtable of Canadians who reflect the range of interests and expertise within Canada's cultural community.

## Diversity and Choice

Our culture is our collective sense of who we are as a society. It includes our shared values, diverse traditions and history as expressed in our two official languages, our symbols, popular media, arts, heritage places and objects, and sporting and other community events. It is manifested in how we work together and enrich one another.

The forces of demographic change, new technologies and globalization are combining to make us more diverse than at any time in Canada's history. The Government believes that Canada's diversity is a great strength—that our capacity to accept, respect, celebrate and value differences has made us one of the most open, resilient, creative and caring societies on earth.

Diversity is the thread that weaves Canada's rich culture together. It is a fundamental characteristic of our society and of what it means to be Canadian. It provides us with the necessary foundation to continue to shape a

*"In a complex world, diverse approaches, skills and ideas are essential to building a higher quality of life. Canada is a bilingual country in which both men and women of many different cultures, races and religions participate in economic, social and political life. Our diversity is a source of strength and creativity, making us modern and forward-looking."*

Speech from the Throne, 12 October 1999

modern country that fosters creativity and excellence.

The Government of Canada supports a broad range of Canadian cultural activities because they give expression to our values and our way of life. Therefore, it matters that what is supported be about the Canadian experience in some way. It matters that the ideas, books, paintings, music, films, Internet content—the results of creative and innovative thought and endeavour—reflect Canada to Canadians, in all its richness and diversity. Nurturing, enhancing and supporting what we have come to call “Canadian choices” is what the role of the federal government in support of culture is all about.

Consistent with the Standing Committee’s view of culture, the Government of Canada believes that our policies must take a broader and more integrated approach to how the forces of change are affecting culture—the impact they are having on the way in which Canadians are able to speak to one another, to listen and understand one another, to work cooperatively—to *connect*. Globalization and technology have removed barriers to the dissemination of ideas and cultural expression, thus putting within our easy reach the world’s wealth of cultures and products. But these same forces of opportunity also pose significant challenges to our ability to carve out a space for Canadian voices, stories and images. For example, there are seven million Canadians who speak, write, sing, work and live in French. Another two million Canadians speak French as a second language. Yet, when Canadians access the Internet they find it much more difficult to retrieve information, participate in chat groups or conduct transactions in French. It is, therefore, all the more compelling to ensure that we are able to stimulate development of content that is reflective of Canada and Canadian points of view, in both official languages, for all Canadians.

Increasingly, our capacity to connect depends on our access to and use of digital media. As strongly recommended by the Standing Committee, the Government of Canada will develop a Canadian digital cultural content strategy for the 21st century, encompassing a partnership among

*“We must also work together so that Canadians can have Canadian choices. To help connect Canadians to the diverse Canadian experience and to support and promote our rich Canadian talent. We have an unprecedented opportunity to ensure that our creative artists have new avenues for expression. That all Canadians have access to diverse Canadian stories, voices and images.”*

The Right Honourable Jean Chrétien, Prime Minister of Canada, Response to the Speech from the Throne, 13 October 1999

federal departments and agencies, creators, and the private sector. This strategy will guide the production and preservation of culturally significant materials through the digitization of these materials from their traditional forms so that they will be more easily available to Canadians via electronic means and by building on existing instruments, such as the Multimedia Fund, the Digital Collections Program, the Canadian Heritage Information Network, and the physical and electronic holdings and Web sites of Canada's cultural institutions. The strategy will also consider how digital cultural "portals" or gateways can create new public spaces to help all Canadians access Canadian cultural electronic content through a virtual and bilingual "Canada Place", and how best to create the right conditions so that new media companies can grow and thrive in Canada.

The Government of Canada recognizes that we must also ensure that Canadians see themselves reflected in more traditional communications media. Many of these media—broadcasting, cable, satellite and telecommunications technologies—that are making culture from around the world available to Canadians originated in Canada. While they have enriched our lives, they have also made it more difficult for Canadians to find choices that reflect their reality as they "surf" over 100 channels on TV, browse through the racks of CDs at music super stores, or scan the shelves at their local video rental outlet, bookstore, library or newsstand. The Government will, therefore, renew tools for supporting the production of Canadian stories and images in all sectors to ensure that they continue to be relevant and effective.

In particular, the Government of Canada agrees with the Standing Committee on the need to renew our policies and measures that support Canadian music, sound recordings and films.

Enhancing Canadian voices and images also means strengthening the ability of our founding cultures to use a wide range of media to tell their stories and participate in shaping our collective identity.

*"New technologies offer new opportunities to strengthen the bonds between Canadians. The Government will bring Canadian culture into the digital age, linking 1,000 institutions across the country to form a virtual museum of Canada. It will put collections from the National Archives, National Library and other key institutions on-line."*

Speech from the Throne, 12 October 1999

*"For its part, the federal government will help to bring our cultural institutions into the digital age and promote Canadian content in new and traditional media."*

The Right Honourable Jean Chrétien, Prime Minister of Canada, Response to the Speech from the Throne, 13 October 1999

*"[The Government] will also increase support for the production of Canadian stories and images in print, theatre, film, music and video. In particular, it will increase support for the use of new media."*

Speech from the Throne, 12 October 1999

For French-language communities across the country, innovative new programming is being developed, such as the "Réseau national d'enseignement universitaire en français", launched by the *Regroupement des universités de la francophonie hors Québec* in June 1999. This initiative aims to increase access to post-secondary education for young Francophones in minority communities. The Réseau promotes course and program exchanges among institutions such as community colleges, cultural organizations, as well as universities.

The Aboriginal Peoples Television Network, which commenced broadcasting in September 1999, is a new avenue through which Aboriginal people can speak to each other, to other Canadians and to the world. The Aboriginal Digital Collections Program established in partnership with Aboriginal Business Canada is supporting 40 projects helping Aboriginal individuals and organizations establish Web sites, and Aboriginal treaties are being digitized so that all Canadians can access these historic documents.

Access for Canadians to the "physical" spaces and natural beauty that are part of our collective inheritance is just as important to the Government as are "virtual" connections. While the Standing Committee did not make any recommendations on this issue, the

*"The Government will (...) continue to extend Canada's national park system."*

Speech from the Throne, 12 October 1999

Government of Canada is fully engaged in sustaining our historic sites, landmarks and natural heritage. For example, over the last three years, the Government has created three new national parks and established one new marine conservation area. It has also introduced legislation to protect our marine environment and will continue to protect the ecological integrity of our parks system. Over the next few years, the Government will be piloting an "urban parks" strategy so that Canadians who live in major urban centres can have the opportunity to share in the national parks experience.

Central to the Government's culture framework is an unwavering commitment to Canadian content and Canadian choices, to reflecting and celebrating Canada's diversity, to preserving Canada's rich cultural and natural heritage.

### **Supporting Artists, Creators and Innovation**

Consistent with the Standing Committee's observations on the importance of artists, the Government, in setting out its agenda for the second part of its current mandate in the October 12, 1999 Speech from the Throne, recognized the role of artists as the primary creators and transmitters of our culture. To ensure that Canadians have Canadian choices will require creativity in content, and innovation in the media we use to make that content available. It will require a focus on artists, creators and innovators.

*"Across this country, Canada's culture comes alive through our writers, singers and performers, through our filmmakers and artists, and through those who chronicle and preserve our heritage."*

Speech from the Throne, 12 October 1999

The Government is pursuing the Standing Committee's recommendations that support this goal, and is strengthening its support for Canadian creators in the performing and visual arts and in both traditional and new media, particularly for young Canadians.

To ensure a broad base of talent, government policies, including cultural policies, must put in place the springboards that will allow young Canadians to apply and enhance their creative skills. The Government is committed to encouraging a "first works" initiative that will build on existing programs delivered by federal cultural agencies and through the Young Canada Works internship and jobs program. The Government will bring together young Canadians to help map out the measures and instruments that might be required to enhance their opportunities to produce first or breakthrough works, and to deepen their appreciation of Canadian culture and heritage and of the arts more generally.

*"The Government will ensure that young Canadians (...) are given an opportunity to apply their creative abilities, by providing them with a chance to produce their "first works" using traditional approaches and new technologies in the arts, cultural, digital and other industries."*

Speech from the Throne, 12 October 1999

The Government of Canada agrees with the Standing Committee that Canada's national training institutions in the arts and cultural sectors play a crucial role in supporting the high quality of Canadian cultural output. The Government is considering increasing its permanent investment in institutions which prepare Canadians, including youth, for professional careers in the arts, film and video. As requested by the Committee, the Government affirms that it will provide multi-year funding and program resources as new national training institutions are created.

As the Standing Committee points out, new technologies offer new tools for artistic creation. One of the most important emerging fields for young creators is multimedia. Through wage subsidies offered under the Youth Employment Strategy, the Government of Canada has provided community-based cultural organizations across Canada with opportunities to hire youth to work with new technologies and new media. The Government has also created a five-year \$30-million Multimedia Fund that provides financing to creators working in new media.

The Standing Committee is correct in pointing out the need to address the importance of training in new media to fill industry needs. The Government is looking at improving its own Web sites for the provision of learning tools, as well as other mechanisms so that we have the qualified people we need to create original Canadian content for the digital environment.

The Government intends to expand access to its services by making more of them available over the Internet—for example, offering Canadians the option of making reservations at national parks on-line. These initiatives will enable the Government to improve its ability to reach and serve young people, who are the most active users of the Internet, and engage them more directly in shaping future public policy.

As a key component of the Government commitment to bringing Canadian culture into the digital age and of supporting the use of new media, the Government will build on its longstanding commitment to copyright protection. The Government agrees that adequate protection of intellectual property will be essential in the emerging digital economy and will work to keep the *Copyright Act* up to date, and to take into consideration the necessary balance between the rights of creators and the needs of Canadians to access the work of Canadian creators.

### **Building Capacity/Building Cultural “Infrastructure”**

The broad range of cultural policies and programs, legislation and regulation that have been developed over time are largely designed to help build our cultural capacity or cultural “infrastructure”. These policies must be renewed to ensure that they support capacity and infrastructure relevant to the new opportunities and challenges by: fostering creative opportunities and creative excellence; setting out marketplace rules that protect intellectual property, set targets and standards for Canadian works, ensure access in both official languages, and establish labour market practices; creating the right conditions for the growth and expansion of Canadian cultural industries—book and magazine publishing, film and video production, and radio and television broadcasting; encouraging innovation and the creative use of new media; encouraging performing arts and heritage institutions to develop financial stability through community support, partnerships and modern management; and, by ensuring preservation of historical and cultural works.

*“For Canada to generate jobs, growth and wealth, it must have a leading, knowledge-based economy that creates new ideas and puts them to work for Canadians. To do this it is essential to connect Canadians to each other, to schools and libraries, to governments and to the marketplace -- so they can build on each other’s ideas and share information. Achieving this objective will require new types of infrastructure.”*

Speech from the Throne, 12 October 1999

Our Canadian cultural institutions, built over generations, many of which comprise the Canadian Heritage Portfolio, have been and will continue to be central to the creation, development, promotion, preservation and dissemination of Canadian cultural content and fostering creative expression. The Government is committed to ensuring that these institutions are modern and forward looking, focused on meeting the needs of all Canadians, building new audiences among the young and demonstrating leadership in using new media and technologies to improve management, access and service.

In the knowledge-based economy and society, the capacity of our cultural industries to compete globally is increasingly important. The estimated 700,000 Canadians who earn their living in the cultural sector generate almost \$20 billion a year in the Canadian economy. The cultural sector

has flourished over the past few years—between 1990-91 and 1996-97, it grew 14 per cent, outpacing such key sectors as automotive and agriculture. Helping the cultural industries seize e-commerce and export opportunities, develop and harness new technologies and media, and form domestic and international alliances will be key to sustaining the growth of the sector.

The Government of Canada supports the Standing Committee's emphasis on the importance of strengthening "community capacity" in the cultural sector. It has begun to take action to ensure sustainable, long-term funding for not-for-profit cultural organizations, which typically have community-based voluntary boards and play a crucial role in the performing arts and heritage sectors. Arts stabilization programs developed in partnership with arts organizations, provincial governments, municipal administrations, private sector companies and foundations are now operating in Alberta, Nova Scotia and in Vancouver (British Columbia), and are in the development stage in several other provinces.

Many community-based organizations operate the historic sites, galleries, archives, museums and libraries that dot Canada's urban and rural civic landscape. As recommended by the Committee, the Government of Canada will work with these community-based institutions to strengthen their capacity to serve as information centres and access points into the larger collections of national heritage institutions.

In 1997, approximately 452,000 Canadians volunteered their time to support arts and heritage groups in Canada. The Government of Canada agrees with the Standing Committee that volunteers are the life-blood of community groups. The Government, through the Engaging the Voluntary Sector initiative, is undertaking a comprehensive examination of ways to encourage voluntarism and to better engage the voluntary sector in preparation for the International Year of the Volunteer in 2001.

For one year, running from March 1999 to March 2000, the Government has provided resources for the Year of the Canadian Francophonie. Thanks to this initiative, the Canadian French-language community in its entirety is establishing connections among community organizations, artists and institutions across the country, and building bridges to English-speaking Canadians.

In the same vein, the Government's existing multiculturalism programming could be adjusted to encourage greater community participation, to assist in building bridges across communities and to encourage partnerships that will make Canadian institutions more inclusive. The Government

*"The Government will actively engage tens of thousands of young Canadian volunteers to participate in community and national environmental projects and to help others improve their literacy skills "...[and] "to ensure that community [Internet] access sites have the expertise required for the on-line delivery of [...] Canadian content. In both official languages."*

Speech from the Throne, 12 October 1999  
and Response, 13 October 1999

will continue its annual anti-racism campaign to reach across and engage a wider range of groups at the community level, and to ensure that anti-racism messages reach into more community settings such as schools, places of work and sports and recreation centres.

The Government of Canada will explore ways to profile and promote the distinctive cultural flavour of Canadian cities. The Government will pursue partnerships with other levels of government and stakeholders to celebrate and highlight the arts and heritage of designated cities each year, celebrating the creativity and showcasing the cultural output that give each of our cities their own distinctive character.

*"The Government will work with other levels of government and the private sector to reach -- by the end of the year 2000 -- agreement on a five-year plan for improving physical infrastructure in urban and rural regions across the country. (...) It will focus on areas such as transport, tourism, telecommunications, culture..."*

Speech from the Throne, 12 October 1999

Natural and cultural spaces require regular upkeep. That is why the Government has proposed including cultural infrastructure in what could develop into a broad infrastructure initiative involving a partnership among all levels of government and the private sector.

## **CONNECTIONS**

Throughout our history, we have had to contend with great distances to share our perspectives with one another. Our regional, social and cultural diversity enrich us most when we find ways to connect with one another. The Government wholeheartedly agrees with the Standing Committee that it should "strive to ensure that more cultural products, initiatives and ideas cross borders between people".

### **Connecting Canadians to One Another**

The Government agrees that cross-Canada tours of performing arts companies and travelling exhibitions of contemporary art works and heritage collections help us learn about one another and ourselves. The Government will explore ways to strengthen the support it provides to arts and heritage organizations to encourage outreach and extension programming.

The Government will also encourage its key cultural agencies to give greater emphasis to helping Canadians deepen their understanding of those who live in other regions, in other communities or in the other official language.

The Government of Canada believes that there is no substitute for first-hand experience in exploring the traditions and cultures of others to bridge the distances and the differences among us, and to build an understanding of our shared values. The Government is pursuing new ways to bring Canadians together in various settings, to promote contacts and linkages – both face-to-face and virtual – among Canadians.

Through a new initiative called Exchanges Canada, young Canadians will be able to exchange with their peers in another part of the country. Exchanges Canada will also act as a one-stop clearinghouse and information centre on exchange programs in Canada (public, private and volunteer), and develop tool kits for those wanting to set up exchange programs.

Sports events are also important for connecting Canadians to one another. Whether they participate in local junior tournaments of all kinds or in major events such as the Pan-Am Games held in Winnipeg in August 1999, or the Olympics, Canadian athletes and audiences find common ground at events across the country, year in and year out. The Government is committed to supporting such amateur sports activities.

### **Connecting Canadians to the World**

Our writers, performers, and producers, as well as our athletes and scholars, share the international stage with the world's best. In a more interconnected world, they are some of our best known "ambassadors". They tell the world about who we are; by transmitting our perspectives and values, they shape Canada's international image.

As the world becomes smaller, our artists play an increasingly important role in raising our profile and helping to connect the world to Canada. We need to build on our advantage to strengthen linkages between Canada and other countries, to connect Canadians to the world and to provide leadership in the promotion of cultural diversity.

Around the world, countries face increasing pressures to open and deregulate their national markets. Canada is no exception as international trade matters more than ever for growth and jobs in our country. While these changes represent opportunities for cultural exports, they are challenging our traditional cultural policy tools. As recommended by the Standing Committee, the Government of Canada will actively pursue

*"In collaboration with the voluntary sector, the government will create a single-window service called Exchanges Canada. To give 100,000 young Canadians every year the chance to learn about another part of Canada. To live and experience another culture and language. To develop projects in the arts, amateur sports, sciences and community development."*

The Right Honourable Jean Chrétien, Prime Minister of Canada, Response to the Speech from the Throne, 13 October 1999

*"To build on Canada's advantage, the Government will increase its trade promotion in strategic sectors with high export potential -- sectors ranging from biotechnology (...) to tourism, culture and health.*

*The Government will use the upcoming round of World Trade Organization negotiations, (...), to help build a more transparent, rules-based global trading system -- one that ensures a level playing field, provides better access to world markets for Canadian companies in all sectors, and respects the needs of Canadians, our culture, and the environment. (...)*

*It will also work to develop a new approach internationally to support the diversity of cultural expression in countries around the world."*

Speech from the Throne, 12 October 1999

the development of an international instrument or agreement on cultural diversity that acknowledges the importance of cultural diversity and the capacity of countries to pursue policies to promote and affirm diversity.

The Government has already played an instrumental role in establishing the International Network on Cultural Policy, a ministerial forum that aims to put cultural diversity at the front and centre of international thought and action. The Network was created following the International Meeting on Cultural Policy held in Ottawa in June 1998, and membership has since expanded to almost 40 countries. A second meeting was held in September 1999 in Oaxaca, Mexico, which led to the establishment of a Liaison Bureau in Canada to help guide the work of the Network between ministerial meetings, and a work plan to develop further an international approach to the promotion of cultural diversity. Future ministerial meetings are planned in Greece in 2000, Switzerland in 2001 and South Africa in 2002.

Through the Canada Council for the Arts, the Government of Canada will also organize the first World Summit of Arts and Cultural Institutions to be held in Ottawa in December 2000.

To coordinate and enhance its international cultural activities, the Government of Canada is developing an international approach to establish Canada as a world leader in the promotion and recognition of cultural diversity, to enhance the promotion of Canadian artists abroad, to develop markets for the export of Canadian cultural products, to strengthen and build bilateral and multilateral connections in the field of culture, to build partnerships with non-governmental organizations and to establish stronger relationships with key international organizations interested in the promotion and affirmation of cultural diversity.

The Government will encourage Canadian representation in hosting and participating in international sporting events, artistic events and expositions. It will also explore expanding international internships for young Canadians to obtain work experience overseas, including work with cultural organizations.

## **CONCLUSION.**

It is our culture that links us to our past, to one another and to the future. A strong cultural policy allows us to be open to the world without fear of the homogenizing influence of globalization. It provides a "sense of place and a sense of being" and will be critical to Canada's quality of life in the 21st century. Canada's cultural capacity can and must remain strong, vibrant and diverse. It must ensure that Canadians have Canadian choices.

*"Canada belongs to the 21st century. And Canada will be the place to be in the 21st Century."*

The Right Honourable Jean Chrétien, Prime Minister of Canada, Response to the Speech from the Throne, 13 October 1999

The Report of the Standing Committee on Canadian Heritage points us in the right direction. We are pleased to provide detailed responses to each recommendation.



### *Canada Council Funding*

#### **Recommendation No. 1**

**The Committee recommends that:**

- 1.1 The Canada Council for the Arts, as the main source of federal government support for creators, continue to provide grants to creators that enable them to devote themselves full-time to a creative project. The Government of Canada should encourage long-term and sustainable support to creators.**
- 1.2 The additional resources required by the Canada Council for the Arts to implement recommendation 1.1 should be provided.**
- 1.3 The Department of Canadian Heritage, in partnership with the Canada Council for the Arts, develop a plan to secure the funding proposed in Recommendation 1.2 and report back to this Committee within one year of the tabling of the report.**

**Response:** *Action already taken and further examination is to be undertaken.*

In the spirit of the 1999 Speech from the Throne, the Government is committed to building successful national institutions that nurture and inspire innovation and creativity, and to continuing to assist Canada's creative artists in finding avenues for expression. To sustain a strong and vital cultural sector in Canada, the Government provides support for creators and cultural organizations. The Canada Council for the Arts is one of the several agencies within the Canadian Heritage Portfolio that is dedicated to supporting creation. The Government has been supporting creators through the Council for more than 40 years and will continue to do so.

Recognizing the important role of performers, creative artists, writers, composers, designers, publishers, including of popular music, and the role played by the Council in fostering creativity, the Government increased the Council's allocation in 1997-98, by \$25 million annually for five years. In 1998-99, a supplementary allocation of \$10 million over three years was provided for the Council's Millennium Arts Fund.

Across the various programs of the Canada Council for the Arts, approximately 20% of the grant budget is dedicated to financially support individual artists and creators. In addition, \$8 million in payments are made annually to creators by the Public Lending Rights Commission. In 1998-99, the Council provided funding assistance to 18,252 individual artists and creators.

The Government will continue to work in consultation with the Canada Council for the Arts and others, such as the National Arts Centre—working in partnership with the Council as part of its mandate—to develop appropriate mechanisms for ensuring the sustainability of arts and heritage organizations. The Government will also continue to work with the Canada Council in support of Canada's artists and creators, and the preservation of their works.

### *Self-employment in the Cultural Sector*

#### **Recommendation No. 2**

**The Committee recommends that:**

- 2.1    The Department of Canadian Heritage ensure ongoing federal initiatives examining issues of self-employment include the interests of self-employed artists and creators.**
- 2.2    The Minister of Canadian Heritage appoint a task force to review self-employment issues in the cultural sector. The task force should include representatives from the Department of Revenue, the Department of Finance, and the Department of Human Resources Development Canada, and should report its recommendations within one year.**

**Response:** *Action will be taken and an alternative approach is to be pursued.*

In 1994, Statistics Canada reported that 18% of Canada's labour force was self-employed. Shifting demographic trends and structural changes in the Canadian economy in the 1990s were viewed as encouraging the growth in self-employment for Canada's labour force. The rate of self-employment among cultural workers is about three times that of the labour force in general.

A large proportion of Canadian artists, creators and cultural workers, either individually or in cultural industries, are self-employed professionals or independent contractors. Like other self-employed individuals, issues such as health care, employment insurance, pension entitlements, tax treatment, access to professional development or training, etc., are of interest to them. For example, many workers in the cultural sector are considered self-employed, and therefore do not pay premiums and are not eligible for Employment Insurance benefits. As a result, a number of professional artists do not have the security and benefits available to others. Over time, the Government has recognized the contribution of Canadian artists and cultural workers to Canadian society through targeted measures, such as the deductibility of instruments for musicians, which now forms part of the tax system. Status of the artist legislation (federal and in Quebec) allows artists who are independent contractors and belong to professional associations to bargain collectively.

Under changes introduced in the 1998 federal budget, self-employed individuals may, under certain conditions and subject to certain limits, deduct amounts for a private health services plan (PHSP) coverage. Health care is a provincial responsibility. However, matters specific to coverage provided by private insurers can also be referred to Health Canada. Through Registered Retirement Saving Plans (RRSPs), self-employed individuals have opportunities for tax-assisted retirement saving. The Department of Finance receives regular presentations regarding issues

that affect the self-employed. Operational and technical concerns of the self-employed are addressed through Revenue Canada publications that were developed with contributions from the arts sector [Visual Arts and Writers (IT-504R2) and Performing Artists (IT-525)]. In addition, Revenue Canada's enquiries' lines are available to respond to questions from the cultural sector.

The Government of Canada supports innovative approaches to social policies and programs. Given the rapid expansion of the self-employed segment of the labour force, the Government will continue to study self-employment issues. Specific input from self-employed professionals in the broad cultural sector will continue to be included from the policy, operational and technical perspectives.

### *Digitizing Cultural Materials*

#### **Recommendation No. 3**

##### **The Committee recommends that:**

- 3.1 Existing federal programs should also support the creation of traditional cultural materials (books, music, films, and images) in electronic formats. In addition, the Department of Canadian Heritage, in consultation with the Department of Industry and the Department of Finance, should encourage investment in enterprises that market and sell access to these products; and**
- 3.2 The Minister of Canadian Heritage, in consultation with the Ministers of Industry and Finance, develop a strategy that implements Recommendation 3.1.**

##### **Response: Action already underway.**

In the Response to the Speech from the Throne, the Prime Minister stated that the Government will help to bring cultural institutions into the digital age and promote Canadian content in new and traditional media. As part of further development of the Canada Place Web site of the Canadian Heritage's Portfolio and its in-person locations, Canada Place will showcase and package the wealth of digitized cultural content provided from a variety of sources and in both official languages. It will be the gateway to Canada's cultural collections.

Creating and providing access to diverse content in digital form are part of the Government's priorities in support of creators of text, images and sound and are part of an evolving process within federal programs. The current challenge is to further address actively the transfer of materials originally fixed in a different format - print, photograph, sound recording, motion picture—to a digital format to allow greater access to existing works of Canadians. Despite high start-up cost and significant risk, traditional cultural industries are moving toward producing materials that are generated, stored and reproduced in electronic formats. As technology evolves, cultural industries increasingly will be subject to pressure to make the transition to electronic

formats to remain competitive and to reach Canadians in all parts of the country. The Government maintains an ongoing process of analysis and consultation to identify measures that may be required to adapt to technological change, to further its objectives in the new electronic environment, and to remain in step with our trading partners.

To assist cultural industries in adapting to emerging technologies and electronic formats, the Department of Canadian Heritage has undertaken a number of initiatives. These include: a) a review of its policy measures for the recording industry and the Sound Recording Development Program; b) a study of the competitiveness of the Canadian book publishing industry; and c) an examination of a variety of support measures for the magazine industry which would consider the role of new technology in the production and marketing of publications. The Multimedia Fund, administered by Telefilm Canada, has a \$30 million budget over five years and may be available to producers of music, books, film and video, provided that proposed projects contain original content and meet the definition of an interactive multimedia product. With regard to the creation of traditional cultural materials in electronic format, the Government encourages producers of feature films and television programming, financed by Telefilm Canada, the Canadian Television Fund, or other federal support programs, to produce such works on digital platform. Feature film and television programming could be made available in this way to future generations, equipped with digital technology, at home or in movie theatres. As well, amendments are being made to copyright legislation for its effective application to new technologies.

Music, book publishing, film, radio and television production and multimedia industries all invest resources into producing and marketing cultural products in digital formats, into developing and adapting to emerging business models in the on-line environment, and into positioning themselves to maximize their potential. For example, the music industry is making increasing use of e-commerce, the book publishing industry is exploring the use of non-print materials such as CD-ROMs, and a large proportion of films and television programs are being produced in digital video. Ways in which new technologies could facilitate distribution are also being explored. The National Film Board of Canada (NFB) has taken a leading role in developing a distribution system designed for the Internet. The NFB has invested considerable resources in transferring the larger part of its collection of 9,000 titles to laser disc to permit electronic retrieval, and its electronic on demand delivery system *CinéRoute* is already making 2,500 titles available.

The Canadian Broadcasting Corporation (CBC) is implementing a comprehensive multi-year plan to preserve and catalogue archival material and to transfer thousands of hours of audio and video material from obsolete deteriorating formats to current, more stable formats. One of the first regional projects undertaken involved the preservation, cataloguing and access to the 253 hours of *The Proceedings of the National Convention*—the live debate about Newfoundland's entry into Canada, recorded between 1946 and 1948. The National Arts Centre Orchestra produced sound recording in CD format in collaboration with the CBC and is working, in addition, on a music education CD-ROM for Canadian students and education.

Income tax legislation provides generous tax benefits to the creators and donors of cultural materials. In respect of the production of cultural materials, a preferential corporate tax rate is provided through the manufacturing and processing profits deductions. Industry Canada encourages investment in marketing and distribution vehicles for electronic cultural products. Many of its programs are designed to enhance access to electronic formats and cultural collections, as well as to improve access to capital and encourage partnerships for learning content, marketing and distribution. Such measures assist Canada's new media learning market, populated by many small companies with insufficient access to learning content for product development, or to capital and distribution channels for marketing of products. Industry Canada operates a number of initiatives to digitize Canadian content for distribution electronically. For example, the new SchoolNet Multimedia Learnware and Public Access Applications Program is helping to strengthen Canada's new media learning and Internet applications industries while improving access to learning opportunities for Canadians.

Since 1995, Industry Canada's Digital Collections Program (CDC) has supported over 350 multimedia Web sites. Funded through Canada's Youth Employment Strategy, the program awards contracts to pay youth to digitize Canadian content provided by national, provincial and local cultural institutions; government departments at all levels; tourist bureaus, businesses, other institutions and organizations. The CDC's success established the pilot Aboriginal Digital Collections Program (ADC) in 1998-99, which partnered with Aboriginal Business Canada to fund 40 projects that encourage greater participation by Aboriginal individuals, organizations and institutions in developing Web sites. Those two components of the Digital Collections Program are important suppliers of multimedia content, with some 260 Web products available, including such cultural products as digitized versions of books or selections of literary materials, photo collections, artefact collections, oral histories, local history, geography, archival documents, Royal Commissions and other research tools.

The Francophonies virtuelles Program supports the creation of content in French on the Internet. Activities under this program since 1998 include creating applications, services and content in French, promoting networking and connections among francophone communities in Canada, stimulating growth of a French language multimedia industry, and developing a francophone multimedia industry and market for it. A new program, GenerationCanConnect, introduces seniors to the Information Highway, helps students to develop computer and multimedia experience, and fosters intergenerational relations. Key partners in implementing the Electronic Commerce Market Growth and Business Development Strategy in the cultural industries will be industry associations, suppliers and users, business leaders, and the Canadian Heritage Portfolio members.

Federal cultural and heritage institutions also support production of cultural materials in electronic formats, within existing programs (books, images, film). In partnership, the National Gallery of Canada developed *Cybermuse*, a new virtual interactive gallery space for viewing art. Reproducing its collections, biographies and video interviews on artists, the Gallery's *Cybermuse* matches moments in art with major historical events. This interactive timeline opens the entire collection of the National Gallery of Canada to Canadians and the world. The Web site of the Canadian Museum of Civilization offers 23,000 screens, including virtual exhibits, a school

outreach interactive program, *Cybermentor*, and a module with some 1,500 artefacts. Parks Canada has developed and is further planning interactive digital media-based heritage products, including virtual tours on its Web site. The Museums Assistance Program, the Canadian Council of Archives' Conservation Plan program, and Young Canada Works, funded under Canada's Youth Employment Strategy, clearly demonstrate that direct financing to heritage institutions, including libraries, specifically for the purposes of reproducing collections and stimulating the production of content and applications, is an effective way to support the provision of access to electronic formats.

### *Progress on Copyright Protection*

#### **Recommendation No. 4**

**Legislation implementing the two World Intellectual Property Organization (WIPO) Treaties should be introduced by the government and enacted by Parliament as soon as possible.**

#### **Recommendation No. 5**

**The Government of Canada should take appropriate measures to ensure that amendments to the Copyright Act keep pace with technological change.**

**Response:** *Action already underway.*

As a key component of the Government commitment to bringing Canadian culture into the digital age and of supporting the use of new media, the Government will build on its longstanding commitment to copyright protection.

Copyright protection is an essential tool in the support of creators and has been part of Canada's cultural mechanisms since 1924. Canada became a signatory to two new World Intellectual Property Treaties on copyright and neighbouring rights, the *Copyright Treaty* and the *Performers and Phonogram Treaty*, in December 1997. Canadian Heritage and Industry Canada have already undertaken consultations to assess what specific amendments to Canada's *Copyright Act* will be needed to implement the treaties. A range of tools are therefore required in this area. Regulation will continue to have an important role to play and legislation will be tabled as soon as it is ready. The Government agrees that adequate protection of intellectual property will be essential in the emerging digital economy and will work to keep the *Copyright Act* up to date, and to take into consideration the necessary balance between the rights of creators and the rights of access of Canadians.

### *Canada's Artists*

#### **Recommendation No. 6**

**The Committee recommends that the Department of Canadian Heritage invite its counterparts in provincial governments to put in place complementary legislation relating to the status of the artist.**

**Response:** *Action could be taken.*

Provinces, municipalities and the voluntary sector are all partners, with their own important roles to play in encouraging Canada's cultural sector. Sometimes, a comprehensive response requires action at more than one level of government. Status of the Artist legislation is a reflection of these dynamic relationships. The federal *Status of the Artist Act* received Royal Assent on June 23, 1992. Part I (General Principles) states the Proclamation and Policy concerning the Status of the Artist, whereby the Canadian Government recognizes the importance of artists in Canadian society and guarantees their freedom of association, recognizes the importance of their respective contributions to the cultural life of Canada and ensures the protection of their rights. This Part is under the responsibility of the Minister of Canadian Heritage. Part II (Professional Relations) establishes a framework to govern professional relations between artists and producers and is under the responsibility of the Minister of Labour.

With the exception of federal institutions and broadcasting undertakings licensed by the Canadian Radio-television and Telecommunications Commission (CRTC), professional relations concerning the status of the artist fall within provincial jurisdiction. Preceding the implementation of the federal Act, the province of Quebec had already adopted such legislation. The issue has been addressed in British Columbia through amendments to related legislation.

In recognition of the importance of Canada's artists, the Government supports complementary or similar legislation to Part II of the federal *Status of the Artist Act* enacted on the provincial and territorial levels. To encourage provinces and territories to examine the adoption of similar legislation, the Department of Canadian Heritage will encourage presentations on this subject in the forum of the Federal, Provincial and Territorial Meeting of Ministers of Culture and Heritage.

### *National Cultural Professional Development Institutions*

#### **Recommendation No. 7**

**The Committee recommends that the federal government affirm its commitment to the continuing development of Canada's national training schools and support additional national training schools with appropriate resources as they emerge.**

#### **Recommendation No. 8**

**The Committee recommends that the Government of Canada's support to national training schools be provided on a stable, multi-year basis.**

**Response:** *Action already taken.*

Direct training support to individuals is a provincial area of jurisdiction. The Government of Canada provides support for national cultural training institutions and student loans.

The Government of Canada provides \$8.5 million annually to 18 institutions which specialize in preparing Canadians for professional careers in the arts, film and video. Those professional institutions are committed to the highest standards of excellence and to service to the whole country. The support is delivered directly by the Department of Canadian Heritage to professional development institutions involved in arts, and through Telefilm Canada to film and video training institutions. Support is based on capacity to contribute to cultural development in Canada.

A recent review by the Department of Canadian Heritage on the contribution agreements with the National Ballet School, the National Theatre School and the National Circus School (contributions totalling more than \$6 million) found that these institutions continue to be relevant and soundly managed.

The National Film Board (NFB) has a long-standing commitment to emerging talent and, as a matter of policy, undertakes approximately 25% of its productions each year with filmmakers producing a first professional film. The NFB seeks out filmmakers from minority communities, linguistic or ethnic, and has specific programs to encourage Aboriginal filmmakers. The NFB collaborates with institutions, such as the Canadian Film Centre, the National Screen Institute and l'Institut national de l'image et du son (INIS), by providing instructors, sponsoring scholarships, etc. The Department of Canadian Heritage provides \$1.3 million a year in funding to national professional development institutes, such as INIS, the Canadian Film Centre, the National Screen Institute and the Summer Institute of Film and Television.

Joint work by Canadian Heritage and Human Resources Development Canada will continue to assist in providing appropriate program resourcing and funding, on a multi-year basis, of national, cultural institutions involved in the professional development of the arts sector.

### *Cross-Canada Linkages to Training*

#### **Recommendation No. 9**

**The Committee recommends that the federal commitment to professional training for arts and cultural industries and institutions give priority to the development of co-op and intern programs. These programs should promote strong links between training institutions and arts and cultural organizations, allowing trainees to earn while they learn.**

**Response:** *Alternative approach is to be pursued.*

The Government's Youth Employment Strategy allows a number of departments, including Foreign Affairs and International Trade, Human Resources Development Canada, Industry Canada, Canadian Heritage and others to offer young unemployed or underemployed graduates with work experience opportunities by way of science and technology or internationally-based internships that last from four to twelve months each. For example, Human Resources Development Canada contributed \$600,000 for 300 internships in 1999-2000 to be delivered by the Canadian Film and Television Production Association. Human Resources Partnerships administers roughly \$5 million annually to support internships for graduates. Cultural sector clients have access to this program. As part of the Youth Employment Strategy, Canadian Heritage's Young Canada Works delivers a number of work opportunities to interns in partnership with cultural and heritage organizations across Canada. Also, Industry Canada, through initiatives such as Canada's Digital Collections and the SchoolNet Notemakers' demonstration project, places young people in jobs where they can obtain experience in on-line multimedia design and development.

Since 1996, Young Canada Works offers summer placement opportunities to approximately 2,000 young Canadians. These summer placements are designed to give youth an opportunity to combine knowledge acquired in school and to use technical and entrepreneurial skills on-the-job in real work projects. Placements occur in museums, galleries, archives, libraries, language-based industries, visual arts and multimedia firms, performing arts, national parks and national heritage sites, Aboriginal Friendship Centres, built heritage, tourism enterprises, health centres, radio and television broadcasting, and in many other cultural and heritage-related organizations.

An examination of a possible expansion of work experience opportunities through Canadian Heritage's Young Canada Works program, to include cooperation with organizations like Telefilm Canada, the National Film Board, the Canadian Broadcasting Corporation and cultural industries, will be undertaken.

Other Canadian Heritage Portfolio members design on-site internship opportunities. The National Film Board is considered a key provider of hands-on experience to emerging filmmakers. The National Archives of Canada offers internships in the preservation of traditional media (film, video, paper-based records, etc.) by hiring or taking on interns with no pay to provide work experience to the emerging cultural heritage work force. The Canadian Museum of Civilization provides special opportunities through its Aboriginal Trainee Program in

Museological Practices. Libraries sponsor the Northern Exposure to Leadership program aimed at young librarians who show potential for advancement in the profession.

Through its Challenge Fund initiative, the National Arts Centre raised funding (\$2 million) to be directed at artistic development. One of the projects to receive funding is the Theatre Arts Partnership Program that will assist in developing apprenticeship opportunities for young directors, actors, and designers, master classes, visiting artist forums, workshops and in-school visits, and dramaturgical assistance for playwrights. A similar program is available for stage management and lighting internships.

Industry associations and provincial agencies provide professional training workshops and seminars. Canadian Heritage's Book Publishing Development Program supports industry organizations that in turn support training programs.

To continue to create a climate of opportunity for young Canadians, internship opportunities will be explored by Canadian Heritage, as a part of the policy review process for the Sound Recording Development Program. In addition, Canadian Heritage will consult with Human Resources Development Canada on how to build on to co-op programs in the provinces and territories to expand employment opportunities through work exchanges across provinces.

### *Leading-edge Workers in Multimedia*

#### **Recommendation No. 10**

**The Committee recommends that the federal government, through sector-based training and professional development councils, develop a shared cost program with cultural organizations that is designed to provide professional training in the effective use of new media.**

#### **Recommendation No. 11**

**The Committee recommends that the Departments of Canadian Heritage and Human Resources Development Canada develop new media programs and training packages that can be used by community-based cultural organizations.**

**Response:** *Action already taken.*

In the Response to the Speech from the Throne, the Prime Minister noted that "today, success in the global economy depends on our human talent, our ability to learn, to adapt quickly to new opportunities, to develop new ideas, to make new discoveries". Nothing demonstrates this more than the burgeoning multimedia sector.

The 1997 report of the Information Highway Advisory Council recognized and recommended that research on new media educational and training programs be initiated and skills requirements in this area be assessed. Through consultations and studies involving, for example, the Cultural Human Resources Council (CHRC), it had been shown that there were gaps between training supply and industry needs.

At the community level, existing components of the Youth Employment Strategy, through wage subsidies, provide community-based cultural organizations across Canada with opportunities to hire youth to work with new technologies and new media on cultural content projects.

Industry Canada is committed to increasing the competency of Canadians to use the Internet for work, learning and personal development. Its CanConnect program is encouraging individuals across Canada to acquire and demonstrate use of information and communications technology.

Other Industry Canada programs that are part of the Youth Employment Strategy, such as the Community Access Program (CAP) and the Voluntary Sector Network Support Program (VolNet) aim to enable voluntary organizations to access and use Internet technologies. Through other programs like Canada's Digital Collections, Industry Canada is working with cultural organizations to provide an introduction and exposure to the Internet and information and communications technology. This program has assisted many cultural organizations, such as museums, libraries, and archives, to produce their first multimedia products, including capacity to access historical and archival records on-line.

These initiatives are important components of the Canada On-Line and Canadian Content On-Line priorities of the Government of Canada. Access to new technologies for community-based cultural organizations strengthens urban and rural communities and promotes Canadian content in new and traditional media. Access to those technologies is important to ensure that they have the opportunity to become real content providers.

The Department of Canadian Heritage with its Portfolio partners is developing evaluation tools for assessing the cost-effectiveness and efficiency of the Portfolio's Web sites as information, training and learning tools. In consultation with the provinces and territories, national occupational standards and the development of curriculum in the new media area could also be considered by Human Resources Development Canada, Industry Canada and Canadian Heritage.

### *Case Studies in Canadian Culture*

#### **Recommendation No. 12**

**The Committee recommends that the Department of Canadian Heritage and the Department of Industry jointly develop a program that will support more research and study of domestic and international cultural issues in Canada's graduate schools through the financial involvement of key federal cultural agencies.**

**Response:** *Action will be taken.*

The Standing Committee's report notes that professional development in Canada has grown in scope and sophistication over the years, yet research and study on domestic and international cultural issues may not have kept pace in graduate schools. The Government of Canada supports the proposal that research-oriented graduate programs could further benefit from alliances between graduate schools and cultural organizations or industries. To this end, the Government already works with the Social Sciences and Humanities Research Council (SSHRC) to respond directly and strategically to research on Canadian culture. The Department of Canadian Heritage and Industry Canada will consult with the SSHRC to identify the most effective approaches to enhancing such research.

### *Nurturing Canada's Cultural Human Resources*

#### **Recommendation No. 13**

**The Committee recommends that one year after Recommendations 11 and 12 have been implemented, the Department of Canadian Heritage, in partnership with other federal departments and agencies, conduct a review of federal training support initiatives to determine the overall adequacy of the support measures and their consistency in application among different client groups.**

**Response:** *Action will be taken.*

The Government will conduct a review of training support initiatives in the context of the broad federal support measures to ensure consistent applications among client groups.

Human Resources Development Canada and the Department of Canadian Heritage will undertake this work in consultation with other key departments and agencies.

### *Connections to Canadian Content*

#### **Recommendation No. 14**

**The Committee recommends that the Department of Canadian Heritage, in addition to existing ownership and citizenship requirements, develop complementary policies and programs which focus on, ensure and enhance Canadian content in cultural works.**

**Response:** Action already underway.

One of the Government of Canada's primary cultural objectives is to ensure that Canadians have access to high-quality Canadian content that reflects Canada's rich diversity. Canada's culture comes alive through its artists, writers, and performers.

The Standing Committee recommends taking content into account, that is, "what a project says", in addition to "who is saying it". The Committee proposes that a peer-based assessment might be an effective mechanism to meet the content objective.

Ownership, control and citizenship criteria are incorporated into many federal programs that support and respond to the changing needs of Canada's cultural industries and determine who should be eligible for the various forms of support to ensure that Canadian taxpayers are not subsidizing foreign creators. Content and ownership requirements are regularly reviewed and modified to take into account evolving industry needs.

This approach, supported throughout Canada's diverse regions, further ensures that Canadian content is representative of Canada's cultural, linguistic and geographic diversity. Canadian content definitions are used to (1) determine access to direct funding or tax programs; and (2) measure television and radio broadcasters' conformity with Canadian Radio-television and Telecommunications Commission (CRTC) content quota regulations. Canadian content is measured by such factors as key creative personnel involved in a production, as well as the degree of ownership, and control over the production by Canadians or over productions made under international treaties. A "points system" is used by the Canadian Audio-visual Certification Office (CAVCO) to certify productions seeking the federal production tax credit.

The point system supports industrial development by encouraging the employment of Canadians in key creative and professional capacities. Financing productions that employ Canadians in production also ensures that a high level of professional competence exists in the Canadian industry. Canadian Heritage is reviewing the effectiveness of the administration of these programs and the extent to which content objectives are met. The Department is also exploring complementary mechanisms to promote Canadian content more directly.

Telefilm Canada and the Canadian Television Fund (CTF) administer programs that emphasize the Canadian-ness of the stories told and of the production companies admissible. In its 1999-2000 guidelines, the CTF is strengthening its funding focus on projects that are distinctively Canadian productions. The CTF's "Essential Requirements" establish, as eligible, productions

that (1) reflect Canadian themes and subject matter, (2) are shot and set in Canada, (3) have underlying rights owned and developed by Canadians, and (4) have 10/10 points or the maximum number of points applicable to the project, as determined by CTF, using the CAVCO scale.

Many federal government programs in the cultural sector rely on input from peer juries, or on private-sector experts in their administration and/or decision making. For example, the Sound Recording Development Program administers most of its components through a private sector, non-profit consortium called FACTOR Musicaction (FMC). One of its components is administered by the Canada Council for the Arts where applications are evaluated on the basis of artistic merit. Applications to both FMC and the Canada Council are reviewed by peer assessment committees.

### *Working Side by Side: For-Profits and Not-For-Profits*

#### **Recommendation No. 15**

**The Committee recommends that the Department of Canadian Heritage review its financial support measures to clarify the distinction between for-profit and not-for-profit cultural organizations.**

**Response:** *Action will be taken.*

The cultural sector comprises both commercial and not-for-profit organizations that work side by side to create, produce, preserve and disseminate an array of cultural products and activities. The vast majority of Canada's arts and heritage organizations and institutions operate on a not-for-profit basis. Cultural industries tend to be for-profit commercial ventures, such as film production companies and, book and periodical publishers.

The not-for-profit sector as a whole constitutes, along with business and government, what many believe to be the "third sector" of our civil society. The Government, through the Speech from the Throne, recognizes the valuable contributions of the not-for-profit sector to society and the economy.

In the areas of performing and visual arts and heritage, not-for-profit status is an eligibility requirement for public funding. Federal government support to not-for-profit arts and heritage organizations is generally in the form of grants and contributions to artists and arts organizations from the Canada Council for the Arts, to festivals through the Cultural Initiatives Program, to heritage institutions through the Museums Assistance Program and the Moveable Cultural Property Program, to archives through the Canadian Council of Archives, to touring support from the Department of Foreign Affairs and International Trade, and support to national arts training schools through the National Arts Training Contribution Program.

Federal support to the cultural industries is available for both profit and not-for-profit organizations. Both types of organization may participate in funding programs as long as they meet basic eligibility criteria, some of which consider the firms' financial viability. This support

includes funding and assistance through agencies such as the Canada Council for the Arts and the National Film Board, and through programs such as the Cultural Industries Development Fund, the Publications Assistance Program, the Book Publishing Industry Development Program, the Multimedia Fund and the Sound Recording Development Program. Telefilm Canada and the Canadian Television Fund program generally fund for-profit organizations (exceptions are festivals, training schools, the Academy of Canadian Cinema and Television). There are also tax credit programs (e.g., in the television and film area). The Department of Foreign Affairs and International Trade supports international market development, particularly in film, television and publishing.

Government of Canada policies and programs are designed to meet specific needs of the various cultural sub-sectors for ensuring the creation, production, distribution and preservation of Canadian content. The Government considers the request for clarification of the distinction between for-profit and not-for-profit organizations as useful because the two types of organizations often operate under different frameworks and have different needs and priorities and generally play distinct roles within the cultural sector. The Department of Canadian Heritage is therefore conducting a review of the goals and outcomes of current funding practices.

#### **Recommendation No. 16**

**The Committee recommends that the Department of Canadian Heritage, in consultation with appropriate cultural agencies, develop mechanisms to ensure sustainable, long-term, multi-year funding for not-for-profit cultural organizations.**

**Response:** *Action already taken.*

Multi-year funding programs are already used by Canadian Heritage and some of the Portfolio agencies. The Canada Council for the Arts provides both annual and multi-year financial support to non-profit arts organizations in all artistic disciplines across Canada. In 1998-99, the Council supported 17,000 organizations of which 800 had long-term recurring subsidies. Since 1996, Council priorities have focussed on both new creation and new content in the awarding of grants to Canadian organizations.

The Museums Assistance Program (MAP) in Canadian Heritage is phasing out its multi-year program funding to Canadian non-profit museums with 1999-2000 as the last year to apply for such funding. The program has moved from operational funding to a project-based approach that is similar to the one adopted by the Cultural Initiatives Program (CIP).

In both arts and heritage organizations, there is a need for innovative means to promote the long-term vitality of organizations through partnerships and properly targeted funding support mechanisms. Several regionally-based arts and heritage stabilization projects, supported in part

by the Government in Canada, exist across the country. By building partnerships between governments, the private sector and foundations, the projects aim to ensure the long-term sustainability of arts and heritage organizations by assuring financial and managerial soundness and building capital reserves. The concept of a national stabilization program for arts and heritage organizations has received wide support and will be further examined.

The Government recognizes the need of cultural organizations to achieve some level of long-term sustainability. The stabilization model would complement the multi-year and project-based funding initiatives that assist arts and heritage organizations to diversify their funding sources, and assist in their management practices. For example, the Government has recently approved a multi-year financial contribution to the Foundation for Heritage and Arts Stabilization and Enhancement (FHAISE) in Nova Scotia. The Government views this as another important step as part of a series of capacity-building initiatives, developed with a view to providing long-term financial and administrative stability to Canadian arts and heritage organizations.

### **Recommendation No. 17**

**The Committee recommends that support for the developmental phase of a new company (start-ups) be designed to include specific performance targets and that there be a sunset clause for federal support to the start-up phase of the company's development.**

**Response:** *Action could be taken.*

The Government does not currently provide explicit start-up funding to cultural industries. However, many funding programs exist for which new firms are eligible, and this support is likely to be crucial to the early stages of a company's development. The Sound Recording Development Program (SRDP), for example, provides assistance to emerging artists and new record companies. Film companies are eligible for tax credits through the Canadian Audio-Visual Certification Office (CAVCO). The Canada Council for the Arts offers an Emerging Publishers program for small and emerging book publishers; companies must publish 4 to 5 eligible titles before qualifying for this program. The Council also provides one-time grants to new magazine publishers who have published a minimum of one issue of their publication.

Telefilm Canada generally focusses on projects rather than on corporate development. Its production funds are not necessarily aimed for start-ups but for small- and medium-sized companies that are undercapitalized, fragile, low-infrastructure operations that, with properly targeted support, can become solid. Large vertically-integrated, publicly-traded companies can also apply for financing for their projects.

Many programs are designed to reward firms that enhance their long-term economic viability. The Book Publishing Industry Development Program (BPIDP), for example, requires that companies be in business for three years before qualifying for funding through the program.

Film companies applying through the Canadian Television Fund must prove financial viability to be eligible, and periodicals are eligible for the Publications Assistance Program (PAP) only after they have been in business for one year. Telefilm Canada's investment approach obliges clients to be rigorous and business-minded since they are required to report on revenue and repay their investment or loan.

The success of new entrepreneurs is crucial to some industries. New firms are often the producers of avant-garde work and take risks in producing films and sound recordings, books and magazines that reflect the diversity and changing nature of Canada's population. To assist in ensuring that Canada continues to sustain a critical mass of cultural products, the Government may wish to consider some targeted support for new firms.

#### **Recommendation No. 18**

**The Committee recommends that in the case of viable, for-profit, commercial enterprises, federal support should be targeted for specific projects or ventures.**

**Response:** *Action already taken.*

In his response to the Speech from the Throne, the Prime Minister stated that the Government will promote Canadian content in both official languages for all Canadians. Therefore, the Government affirms the importance of providing support for specific project or venture-based initiatives, and most of its support programs are already based on that approach. The Government plans to continue to build the capacity, self-reliance, competitiveness, and long-term viability of cultural industries and organizations. A variety of support models and mechanisms have been designed to assist small- and medium-sized firms within the individual cultural sectors to develop their infrastructures, gain market intelligence, and expand their entrepreneurial skills in the domestic and international marketplace.

Film tax credits and support from the Canadian Television Fund (CTF) are awarded on a per-project basis, as is most of Telefilm Canada's support to multimedia and feature films. Other programs that consider per-project support include the Sound Recording Development Program (SRDP), the Publications Assistance Program (PAP), and the Book Publishing Industry Development Program (BPIDP). Some support, for example, the Aid to Publishers component of BPIDP, is awarded on a formula basis and is designed to enhance the financial performance of book publishers. The Canada Council for the Arts also targets specific projects.

Some industries currently benefit from a combination of per-project and more general support programs, while others are eligible for per-project support only. For example, Telefilm Canada offers development-oriented initiatives such as revenue-sharing programs and the Loan Guarantee Program. Aspects of the Feature Film Distribution Fund allow lines of credit for corporate development.

The Department of Canadian Heritage furthers cultural expression and content objectives through its extensive support programs and mechanisms that encourage the production of Canadian content, foster knowledge, creation, and innovation, help to connect Canadians, and promote the skills, talents, and works of our artists, creators and producers. In addition, regular and ongoing program reviews throughout the cultural development sector will seek to ensure the effective and appropriate mix and allocation of government resources among its current stakeholders.

### *Linking Production, Distribution and Marketing*

#### **Recommendation No. 19**

**The Committee recommends that an independent, objective and cross-disciplined analysis be commissioned by the Department of Canadian Heritage to develop strategies that promote essential links among production, distribution and marketing.**

#### **Recommendation No. 20**

**The Committee recommends that within a year of the presentation of this report, the Minister of Canadian Heritage should ensure that the department's program objectives relating to the essential links among production, distribution and marketing and those of its Portfolio agencies are complementary.**

**Response:** *Action already underway and alternative approach is to be pursued.*

The ability of cultural industries and arts and heritage organizations to establish links between production, marketing, and distribution of their products is essential to their ability to compete within domestic and international markets. Canadian cultural industries face formidable competition from foreign-owned multinationals that can invest significant resources in marketing and promoting their products and services. For many Canadian firms, funds for promotion and distribution are limited once the production phase is complete. International marketing and distribution of Canadian cultural products and services is a vital element for growth in the sector.

A number of existing programs consider production, marketing and distribution components in their eligibility criteria. For example, since 1997, a significant portion of the increased budget of the Sound Recording Development Program (SRDP) is dedicated towards marketing and promotion of Canadian content music products. Programs offered through FACTOR Musicaction Canada (FMC) support the essential links between production, distribution and mobility. The programs provide assistance for demo production, album production, marketing, and promotion initiatives such as video clips and tours, and require a distribution contract for most albums supported. The SRDP evaluation and the new measures being developed in support of the magazine industry will seek to foster better linkages between production, distribution and marketing.

The Distribution Assistance component of the Book Publishing Industry Development Program (BPIDP) supports the development of information infrastructures that provide the industry with cost-effective distribution systems. It includes support for the creation and upgrading of title databases and the acquisition of hardware and software. The budget for this component of the BPIDP for 1998-99 was \$1.5 million. As well, BPIDP reserves \$3.5 million for the support of Canadian publishers' international marketing initiatives and requires that publishers who participate in the Aid to Publishers component of the program invest 20% of any contribution received into marketing initiatives. The Publications Assistance Program offsets the cost of distributing magazines to subscribers across Canada. With a budget of \$47.3 million, the program directly subsidizes eligible publications, including consumer magazines and community newspapers. The Department of Canadian Heritage is undertaking a study of the competitiveness of the Canadian book publishing industry, including marketing and distribution networks.

The National Library operates and funds a Cataloguing-In-Publication (CIP) program which provides library cataloguing for Canadian books prior to their publication. Bibliographic records for books covered by the CIP program are input to the Canadian database and are accessible online; the records are also widely distributed within Canada and abroad via file transfer, magnetic tape and CD-ROM. The National Library uses the CIP records to produce *Forthcoming Books*, a monthly listing available in printed format and through the Library's Web service. CIP records are also included in the national bibliography *Canadiana*. Timely distribution of CIP data to libraries and the book trade supports the effective promotion and marketing of Canadian publications both nationally and internationally. The library market is significant for many Canadian publishers, and the inclusion of CIP records in bibliographic databases and in listings such as *Forthcoming Books* and *Canadiana* can be an effective means of reaching it. In addition, the participation of Canadian publishers in international standard numbering systems, coordinated through the National Library of Canada, adds to the marketability of their products both domestically and internationally.

The National Arts Centre promotes Canadian artists abroad in its role as producer of cultural programming for such events as World Fairs in Lisbon (1998) and Hannover (2000).

Heritage sector initiatives such as the Museums Assistance Program (MAP) and the Canadian Heritage Information Network (CHIN) support production, marketing and distribution activities; MAP provides funding for exhibitions and related heritage products as well as marketing and distribution activities of Canadian museums. CHIN provides marketing support through services such as the Great Canadian Guide and the Centre for Exhibition Exchanges.

The Canada Council for the Arts is actively engaged in the production, promotion and distribution of all forms of artistic and cultural works of Canadian creators and in making them accessible to all parts of the country. Its programs support touring, exhibition and distribution, and include film and video works as well as programs for authors, book and magazine publishers. In 1998-99 the Council increased its investment by some 25% to \$8 million in touring of performing arts, media arts, literary and visual arts works. Such support has drawn national and international attention to the artistic achievements of Canadian artists and creators, and their works.

The National Film Board (NFB) produces and distributes the works of Canadian filmmakers. Telefilm Canada, which administers funds for distribution and marketing, mainly for feature films and multimedia, and includes a small component for television distribution, provides support on the basis that a Canadian distributor undertakes to ensure appropriate promotion and exhibition of the production. Telefilm Canada's Multimedia Fund offers assistance to new and emerging media companies for all stages related to production, marketing and distribution. The Government supports efforts to harmonize and enhance existing initiatives in distribution and marketing. The Government also agrees that greater horizontal links would be constructive among agencies and units within the Canadian Heritage Portfolio, including partnerships in multimedia and preservation of audio-visual records, where Telefilm Canada, the NFB, the CBC and the National Archives of Canada all share interests.

The promotion of essential linkages in the cultural marketplace through initiatives that capitalize on Canada's linguistic duality is also assisted by the Government of Canada. For example, the 1998 agreement on cooperation in cultural and artistic development, undertaken by the Department of Canadian Heritage in partnership with la Fédération culturelle canadienne-française, the National Arts Centre, and the Canada Council for the Arts, includes criteria to ensure linkages in projects between such areas as creation, production, promotion and distribution.

The evolution to electronic formats for cultural materials may enhance distribution of Canadian content but may also pose hidden challenges. For example, the distribution challenges facing Canadian new media companies are compounded by the industry-wide practice of software bundling. Most brand name computers are sold with pre-installed, or "OEM (original equipment manufacturer) bundled", operating system software and other applications. Foreign-made products constitute a vast majority of the software that enters the Canadian market through bundling agreements. Software bundling harms the Canadian new media industry by denying companies sales opportunities when consumers are predisposed to purchase upgrades of the foreign bundled products with which they have by then become familiar. Accordingly, the Department of Canadian Heritage and Industry Canada will consider undertaking a study to assess the role of software bundling practices in the distribution of cultural new media content.

The Government notes the important expansion of electronic media and publishing as an area where an increasing need for a universal numbering system is required to facilitate the identification and management of electronic resources. Canada's participation in the development and implementation of international standards to facilitate the identifying for maximized use and sales would benefit Canadian publishers. The National Library of Canada's Cataloguing-In-Publication Program could also explore, should resources permit, the possibility of covering other products such as maps, videos, electronic resources, and further include federal and provincial publications.

The Government believes that its investments in creation, production and distribution of cultural materials on traditional or electronic media, such as films, sound recordings and video productions, should be protected through long-term preservation strategies to allow for re-use, repeat marketing and maximized returns for Canadians, both financially and culturally.

The Government supports Recommendations 19 and 20 and will continue its ongoing reviews of existing programs. It shares the Committee's view that production, distribution, marketing and preservation are intrinsically linked and that policies that focus on one to the exclusion of the others will be unsuccessful. The Government's tool kit of cultural policy instruments must be designed, therefore, in a manner to facilitate those links. Many cultural policy instruments do attempt to address these activities but the Government accepts the view that more must be done and will ensure that this is reflected in new sectoral policies, such as in film and music.

### *Cultural Dividends at Home and Abroad*

#### **Recommendation No. 21**

**The Committee recommends that the federal government create a special committee of Cabinet, including the ministers of Canadian Heritage, International Trade, and Industry and Finance, to develop a policy framework that will provide Canadian cultural industries with the optimal environment to sustain themselves and grow, both at home and abroad.**

**Response:** *Will not pursue.*

The Standing Committee's recommendation to create a special committee of Cabinet for the benefit of Canadian cultural industries is noted. While the inherent challenges in planning and policy development in such a diverse area of public policy are recognized, the present Cabinet Committee structure provides Ministers with an effective decision-making mechanism for cross-cutting initiatives. Indeed, in the current Cabinet Committee structure, cultural issues can be examined from a social as well as an economic angle; the wide membership on the Cabinet Committees provides the expertise required to exercise thorough consideration and discussion of issues. A number of mechanisms are also being put in place to encourage departments and agencies to collaborate on issues affecting culture.

On the international front, the Government has already included cultural sector representatives in Team Canada Inc. missions. Building on the commitments in the Speech from the Throne, the Government will examine ways to ensure that high export potential sectors, such as culture, are appropriately represented in international trade and investment initiatives.

#### **Recommendation No. 22**

**The Committee recommends that the Department of Canadian Heritage identify potential changes to the structure of government that would enable the Government of Canada to respond in a timely manner to changes in the cultural sector.**

**Response:** *Alternative approach is to be pursued.*

The Government agrees that potential changes to the structures of government should be identified to ensure timely responses to changes. The Cultural Industries Sectoral Advisory Group on International Trade (SAGIT) approach used by the Department of Foreign Affairs and

International Trade and Industry Canada, is one example of a successful coordinated approach used by the Government to encourage departments to work in new coordinated ways. Within the Canadian Heritage Portfolio, new ways are continually being sought to improve the coordination and the timeliness of the government's response to changes in all areas of interest to Canada's key cultural institutions.

### *Excellence and the New Media Sector*

#### **Recommendation No. 23**

**The Committee recommends that the Department of Heritage, in collaboration with the appropriate research granting and cultural agencies, establish a network of centres of excellence for new media. Establishing a network of centres of excellence for new media will require a feasibility study that should examine substantive partnerships with educational institutions and the private sector.**

**Response:** *Action will be taken.*

The federal government's existing Network of Centres of Excellence (NCE) Program has created partnerships among industry, universities and government designed to develop the economy and improve quality of life. These networks connect excellent research with industrial expertise and practical investment. More than 450 Canadian companies are involved, along with 61 Canadian universities, 44 hospitals, over 100 provincial and federal departments, and approximately 200 organizations. Fifteen NCEs are currently conducting leading-edge research in diverse areas of science, engineering, health, telecommunications, geomatics, intelligent systems, mathematics, microelectronic devices and systems, mechanical wood pulps, forestry and the environment. A new NCE typically costs \$25 million.

Open competitions are held to create new NCEs. The 1999 federal budget provided for an increase of \$30 million in annual funding for three years. New networks will be selected through a rigorous peer-review process after September 1999. A second round of NCE competitions will be held later in the fall of 1999 or in early 2000 to respond to priorities in the Canadian economy and society.

An NCE in the area of new media could support the "innovation" objectives of the government and also assist in the transition to the knowledge-based economy by making technological breakthroughs that lead to commercially viable products and services. Past successes point to potential in this area. For example, research conducted by the National Film Board and computer scientists from the National Research Council led to the beginnings of computer animation and played a large part in the development of Canada's leadership in this field. Applications for a new NCE must meet the criteria, among others, in the area of knowledge exchange and technology exploitation. Projects must show potential for new products, processes or services that can be commercialized by firms operating within Canada that will strengthen the Canadian base, enhance productivity and contribute to long-term economic growth and social benefits.

The proposal for an NCE that would focus on content creation and preservation in new media merits further consideration in light of the Speech from the Throne's focus on innovation and new media. The Government of Canada could stimulate further strategic policy dialogue in the cultural sector to establish the level of interest and to determine whether an NCE would be an appropriate vehicle for new media research and development in the cultural sector.

#### **Recommendation No. 24**

**The Committee recommends that:**

- 24.1 The Department of Canadian Heritage and Industry jointly work with those involved in new media with respect to obtaining copyright clearances more easily and in identifying the role of collectives in the administration of copyright.**
- 24.2 The Department of Canadian Heritage and Industry Canada jointly fund a study to determine whether a central clearing mechanism for obtaining copyright permission to use copyright materials in new media is feasible.**
- 24.3 The study should include at a minimum an analysis of what should be done; the costs of doing it, an analysis of financial viability, and the design of a fully funded pilot project. The feasibility study, including the design of a pilot project, should be implemented within one year of the presentation of this report.**

**Response:** *Action already undertaken.*

The Government recognizes the importance of this issue. The Speech from the Throne stated that "the Government will bring Canadian culture into the digital age". Important components of this commitment are copyright and intellectual property. For example, in December 1997, the Federal Task Force on Digitization recommended that the Government of Canada adopt a "single window" approach to streamline the licensing of rights in works of the Crown. Federal departments and agencies have since been working to address these concerns. A pilot project and other initiatives are under development with Public Works and Government Services Canada, in cooperation with Canadian Heritage, to support development of an online digital management process.

In May 1999, the Department of Canadian Heritage sponsored a two-day series of meetings with Canada's copyright collectives to develop models for a central online clearing-house mechanism. Many variations of the "one-stop shop" for copyright licensing online have been envisioned for some time by the Canadian copyright collectives and by content users, including such agencies as the National Archives of Canada, the National Library of Canada and non-profit organizations such as the Audio-visual Preservation Trust. Rights clearance in the areas of films and television

programs is complex and affected by a large number of collective agreements, individual releases, inclusion of elements e.g., photos, music, where rights may have been acquired by another party, etc. In collaboration with the copyright collectives and other stakeholders that may have an interest in copyright clearance, the Government will continue to seek means aimed at strengthening copyright management and at facilitating the clearance of rights.

### **Recommendation No. 25**

**The Committee recommends that within one year of the presentation of this Report, the Departments of Canadian Heritage and Industry Canada jointly develop and establish objectives and criteria for federal support to Canada's new media sector.**

**Response:** *Action already underway.*

The Speech from the Throne has recognized that the new media sector offers great opportunities to strengthen the bonds between Canadians and reflect the country's diversity. Over the years, the Government has developed broad objectives for telecommunications and broadcasting in the context of the Information Highway. In its 1997 report, "Connecting Canadians", the Government set out objectives to make Canada the most connected country in the world. The plan to do so focuses on six pillars: (1) Canada On-Line (access for Canadians); (2) Smart Communities (going on-line); (3) Canadian Content On-Line; (4) Canadian Governments On-Line; (5) Connecting Canada to the World; and (6) Electronic Commerce.

In keeping with those objectives, Industry Canada spearheaded a wide range of initiatives and programs to facilitate growth of new media in Canada. These included the Community Access Program, Smart Communities, CANARIE (Canada's advanced Internet development organization), VolNet and Computers for Schools. Programs such as Digital Collections and Aboriginal Digital Collections were also launched to increase the amount of digitized Canadian content, and to emphasize access to and development of Canada's Internet infrastructure.

In May 1999, the Canadian Radio-television and Telecommunications Commission (CRTC) announced that it would not seek to regulate new media services on the Internet. That decision reflects three key conclusions by the Commission. First, transmission over the Internet of predominantly alphanumeric text, by definition under the *Broadcasting Act*, is not broadcasting. Second, in the case of customizable material or content easily tailored by the individual, its provision over the Internet does not constitute broadcasting as defined by the *Act*. Third, while the remaining material would fall within the definition of broadcasting, there are a number of compelling reasons for exempting it from regulation. Specifically, the Commission notes that a significant prominence and demand exists for Canadian content on the Internet, that a variety of initiatives created by government and business are already in place to support new media content, and that regulating the new media would not further the objectives of the *Broadcasting Act*.

Telefilm Canada's Multimedia Fund provides support to companies for the development, production, distribution and marketing of Canadian cultural multimedia products in both official languages. This loans-based program (\$30 million over five years) focusses on the creation of

content and new media applications. The Canada Council for the Arts administers a Media Arts Program which assists Canadian artists and creators to use technology as an outlet for creative expression and the communication and distribution of artistic or cultural works to the greater public. In 1998-99, the Council invested \$9.2 million in 300 new projects.

The Canadian Broadcasting Corporation (CBC) launched its first Web site in 1995 and was the first national public broadcaster to offer audio on its site. In addition to offering about 50,000 pages of Web content, CBC provides some 7,000 hours per day of audio and video content. Visitors to the CBC Web site can access more than 12 million page views per month (excluding the use of audio and video files). CBC is an important provider of distinctive, relevant content to new media users in Canada and around the world and is working to maximize the availability and use of Canadian content online in both French and English.

In addition, Industry Canada, Canadian Heritage, Human Resources Development Canada and Foreign Affairs and International Trade established a New Media Working Group to coordinate policy relating to new media. The Working Group is developing an inventory of federal programs that directly and indirectly support new media projects and skills development. It will work to ensure that the potential for duplication among programs is minimized. Furthermore, the Working Group is mandated to develop objectives and criteria for federal support for Canada's new media sector to ensure it reaches its full potential.

An evaluation framework will be developed that will include indicators to measure the achievement of objectives as well as appropriateness of the criteria established.

### *Renewing Commitment to the CBC*

#### **Recommendation No. 26**

**The Committee recommends that:**

- 26.1 The Canadian Broadcasting Corporation receive continuing, stable funding so that it remains a public, non-profit corporation for the common good.**
- 26.2 CBC Radio receive sufficient levels of stable, sustained funding so that it need not resort to corporate sponsorships, commercial or non-commercial advertising.**
- 26.3 CBC Television receive sufficient levels of stable, sustained funding so that advertising can be reduced to minimal levels.**

**Response:** *Action already taken.*

The CBC is the country's largest cultural institution, and the only broadcaster accessible to virtually all Canadians through television and radio services in both official languages. Given its size, reach and more than 60 years of continuous service, it is highly visible and very familiar to most Canadians. CBC's mission is to tell Canadian stories reflecting the reality and the diversity

of Canada, inform Canadians about news and issues of relevance and interest, champion Canadian arts and culture, and build bridges among Canadians, between regions, and the two official language communities. Clearly, the CBC is and will continue to be an important vehicle for making Canadian content accessible to all Canadians.

The Government is satisfied that the CBC is capable of succeeding in this new competitive environment. The CBC believes that clarity of program vision and ongoing productivity gains and partnerships, in both radio and television services, will be key in its development of new initiatives and the provision of the level and quality of service anticipated by the Standing Committee in its recommendation. The Government believes that the CBC has the resources and capacity to plan for the future with confidence and fulfill its important public service mandate.

In September 1996, the Government announced the establishment of the \$200 million Canadian Television Fund (CTF), comprising both public and private funding, to support the production of high-quality, distinctively Canadian television programs. The fund has proven to be very effective in promoting high-quality Canadian programming, and the CBC has made effective use of it.

As part of the 1997 Budget, the federal government announced stable multi-year funding for the CBC beginning in the 1998-99 fiscal year and extending until 2002-03. In line with the Government's renewed commitment of support to the national public broadcaster, \$10 million was added to the CBC's annual appropriation specifically for its radio services in both official languages. The Government has also identified additional funding to secure the future of Canada's international broadcasting service, Radio Canada International.

In 1999, for the first time ever, the Canadian Radio-television and Telecommunications Commission (CRTC) examined the renewal of almost all of the CBC's radio and television broadcasting licences in one public proceeding. The CRTC received approximately 4,600 separate interventions and heard oral presentations from approximately 100 groups and individuals, representing participation from all parts of Canada and including a wide range of social, cultural and economic interests.

Issues covered by the Standing Committee were addressed during the CRTC's hearings and are being considered in the context of the renewal of the CBC's licences. The Government has a keen interest in the treatment of these issues.

### *Cultural Opportunities through Tours and Exhibitions*

#### **Recommendation No. 27**

**The Committee recommends that the Department of Canadian Heritage increase funding to support more cross-Canada tours and exhibitions.**

**Response:** *Action will be taken.*

The Prime Minister, in his response to the Speech from the Throne, stated the importance of Canadians having access to diverse Canadian stories, voices and images. One of the ways of achieving this is through cross-country tours and exhibitions. The Government has a long-standing tradition of supporting the cross-country touring of arts, heritage and cultural products, which give Canadians an opportunity to learn about themselves and each other. This support is provided through its programs and national arts and heritage institutions.

Programs such as the Museums Assistance Program (MAP), the Cultural Initiatives Program (CIP), the upcoming Canada Travelling Exhibitions Indemnification Program (Fall 1999), and programs at Canada Council for the Arts facilitate exchanges or circulation of heritage professionals, materials, artists and their artistic achievements throughout Canada. Funding criteria will increasingly focus on "connecting" through touring. For example, in 1998, 30% of the festivals supported by CIP presented artists from at least 6 provinces; 64% of those festivals presented artists from at least 4 provinces; and 100% of those festivals presented talents from at least 3 provinces.

Through extension programs, federal heritage institutions circulate travelling exhibitions to institutions in various regions of the country or, through the Internet, provide information on their collections and access to their in-house exhibits. These institutions collaborate with non-federal museums and heritage institutions by providing material on loan, to share national collections with Canadians beyond the National Capital Region. The National Arts Centre (NAC) plays an important role in setting up tours with Canadians and other artists, including its Canada Tour of the NAC Orchestra, and English and French Theatre and Dance co-productions with major companies across Canada—and the NAC is intensifying these activities. The Canada Council for the Arts funds touring activities in every artistic discipline.

For Canadians, including Aboriginal peoples, cultural and artistic expression and presentation is rooted in our geography, our built heritage, our interactions, our distinctive fashion of relating to the world around us. Canada's geography and changing demographics, combined with limited financial resources, are nevertheless making access to arts, heritage and other cultural works and events difficult for many Canadians. In small centres, particularly where there are few theatre screens, many Canadian feature films might never be shown in spite of the efforts such as the Toronto International Film Festival's film circuits, which tour Canadian and foreign independent

films to repertory cinemas and other venues in small communities. Similarly, many small communities do not have the facilities required to host touring performing art companies or travelling exhibitions. For Canadians who live outside metropolitan areas, the capacity for enrichment through the arts depends greatly on distribution networks and on the availability of adequate cultural infrastructures.

Parks Canada administers national parks and national historic sites in many remote locations across Canada reaching Canadians in their communities. Given its lack of presence in many of Canada's largest urban centres, Parks Canada is developing an urban outreach strategy to provide heritage experiences about national parks and national historic sites to Canadians in major urban centres with a particular focus on youth audiences. The "Canada Place" project in major cities, which will include cultural content, also offers Parks Canada another venue to present Canada's rich network of national historic sites and parks.

The Government will continue to explore program options to move heritage collections and performers throughout Canada to help Canadians understand themselves and their country. For example, the recently established Exhibition Circulation Fund Initiative will off-set costs related to securing exhibitions from other provinces and, travelling exhibitions are now being emphasized under MAP. The National Arts Centre Orchestra will plan tours across Canada and its French and English Theatre and Dance departments will continue to work on co-productions with other major companies across Canada.

The Government will also examine the possibility of developing a strategic initiative which would be aimed at profiling and promoting the cultural character of Canadian cities, expanding the reach of the current film circuits supported by Telefilm Canada and including actions with Aboriginal dimensions to provide opportunities for Canadians from different regions to connect and to appreciate, enjoy and learn about their common and diversified cultural heritage.

### *Protecting Cultural Diversity*

#### **Recommendation No. 28**

**The Committee recommends that the federal government adopt the approach proposed by the Sectoral Advisory Group on International Trade (SAGIT) through which Canada would call on other countries to develop a new international cultural instrument that would acknowledge the importance of cultural diversity and address cultural policies designed to promote and protect that diversity.**

**Response:** *Action will be taken.*

The Government announced in the Speech from the Throne its intention to develop a new approach internationally to support the diversity of cultural expression in countries around the world.

Continuing to achieve Canada's cultural policy objectives within the framework of international trade rules is an important consideration for the Government. It is recognized that flexibility is required to pursue legitimate cultural policy objectives. A new international instrument on cultural diversity would lay out the ground rules for cultural policies and trade, and allow Canada and other countries to maintain policies that promote their cultural industries. The objective continues to be to preserve and promote domestic cultural policies within our international obligations.

The Department of Canadian Heritage and the Department of Foreign Affairs and International Trade continue to consult with domestic stakeholders as well as with international partners on the possibility of pursuing a new international instrument. The Government will also continue to work with domestic stakeholders and the provinces to define Canada's interests with respect to trade in cultural goods and services and in forthcoming trade negotiations.

### **Recommendation No. 29**

**The Committee recommends that the initiative taken by the Minister of Canadian Heritage to ensure continued diversity in cultural expression internationally be placed at the centre of the federal government's foreign policy and international trade agenda.**

**Response:** *Action already underway.*

As the Prime Minister stated in his response to the Speech from the Throne, Canada is well placed to promote cultural diversity. As such, Canada has been taking a leadership role in the international promotion of cultural diversity and international cultural cooperation. The Department of Canadian Heritage has developed specific initiatives to build foreign government support for Canada's approach to culture as a key instrument in strengthening identity, attachment and social cohesion.

A major outcome of this approach was the 1998 International Meeting on Cultural Policy, held in Ottawa, and the following meeting in Oaxaca, Mexico, in September 1999. The meetings were an important continuation of the work begun at the UNESCO Intergovernmental Conference on Cultural Policies for Development meeting in Stockholm. The *International Network on Cultural Policy* arose out of the Ottawa meeting, and is currently composed of almost forty countries. The Network provides opportunity for national ministers of culture to exchange views on critical domestic and international cultural policy issues, and to work together to further common goals. At their second meeting in Oaxaca, Mexico, in September 1999, Ministers confirmed their commitment to the Network.

Various other tools help to promote and build cultural links with other countries. Bilaterally, the Government currently has in place cultural agreements, audiovisual co-production agreements, memoranda of understanding and action plans with various countries. More recently, there have also been joint declarations with France and Mexico on the importance of cultural diversity. In addition, the Government has embarked upon an active bilateral program that encourages cultural pluralism as one of several areas of emphasis.

Multilaterally, the Government is an active player in UNESCO, the Council of Europe and la Francophonie, and is in the process of determining how to promote cultural objectiveness through the Organization of American States and the World Bank. For instance, the Government actively supports the World Bank's new culture and development program through such initiatives as the Minister of Canadian Heritage's keynote address at the Bank's "Understanding Culture in Sustainable Development: Investing in Cultural and Natural Endowments Conference", held in Washington in September 1998. Canadian expertise has contributed to the World Bank's development projects and to policy deliberations on the importance of culture in development.

In this context, Canada has 46 film and television co-production agreements with 54 countries from Algeria to Venezuela, and international co-production activity exceeds \$500 million annually. These agreements are administered by Telefilm Canada and are a concrete example of actions that the Government is taking to increase collaboration among trading partners.

Strong relations and an open discussion with the United States of America are key in the effort to promote cultural diversity on a global scale. To this end, the Department of Canadian Heritage, together with the Department of Foreign Affairs and International Trade, has increased its presence in the U.S. at key cultural policy events to promote the Canadian approach to cultural diversity. The intention is to demonstrate the Canadian commitment to enhancing Canada-U.S. discussions on cultural diversity and globalization.

The Government offers broad support, both financial as well as participatory, to the efforts of civil society to promote more informed debate on cultural diversity. The Minister of Canadian Heritage has made important presentations at Harvard University and the University of Ottawa, and met with think tanks on the subject such as the Pacific Council on Foreign Relations. The Department works closely with the Canadian Conference of the Arts and supports its efforts to establish a parallel non-government organization dedicated to promoting cultural diversity.

Canada's cultural foreign policy objectives are linked to other human security and economic prosperity objectives. The Government continues to explore new opportunities and venues to promote and apply its vision of cultural diversity and ensure that it remains a central element of the government's policy framework.

### **Recommendation No. 30**

**The Committee recommends that the Department of Canadian Heritage form an advisory group composed of individuals experienced in creation, cultural policy and the marketing and distribution of cultural materials, to advise the minister on issues affecting culture. This group should be modelled on the SAGIT approach used by the Department of Foreign Affairs and International Trade, and Industry Canada.**

**Response:** *Alternative action will be pursued.*

The Government considers that having an advisory mechanism reflecting the broad range of interests and issues affecting the Canadian Heritage Portfolio could be useful. Two potentially complementary approaches are being considered:

- 1) Better use of existing structures. For example, the Minister could continue to call on the Board and staff of the Canada Council for the Arts, the Canadian Commission for UNESCO, the Canadian Conference of the Arts and an array of expertise within national arts services and trade organizations. The use of existing domestic structures would ensure that no duplication of effort occurs between existing bodies and a new body. The Sectoral Advisory Group on International Trade (SAGIT), while reporting to the Minister of International Trade, also makes an important contribution through its expertise in issues pertaining to trade policy and the cultural industries.
- 2) The Minister of Canadian Heritage would meet at least once a year with a roundtable of Canadians who reflect the range of interests and expertise within Canada's cultural community. The roundtable would serve to strengthen the Government's partnership with artists and cultural professionals and to provide advice to the Minister and Government on the evolution of its cultural framework.

### *Action on Items of National Significance*

### **Recommendation No. 31**

**The Committee recommends that the Department of Canadian Heritage take immediate action to obtain additional resources and to establish a fund dedicated to the preservation of items of national significance that are in danger of being lost through deterioration. The Department of Canadian Heritage should present a progress report to this Committee within two years of the presentation of this report.**

**Response:** *Action will be taken.*

Preservation of items of national significance is currently supported through Department of Canadian Heritage programs, such as the Museums Assistance Program and Moveable Cultural Property Program, the services of the Canadian Conservation Institute, grants and contributions

to the Canadian Council of Archives, and parliamentary appropriations to the four national museums, the National Library, the National Archives of Canada and Parks Canada.

In the last few years, the Department of Canadian Heritage and cultural heritage Portfolio members have collectively worked in a number of fields where items of historical importance were considered to be at risk of being lost. Results include the establishment of the Audio-Visual Preservation Trust and completion of a joint government-industry research project into the permanence of paper. The National Film Board of Canada is currently a member or chair of international preservation and cataloguing standards committees of the Association of Moving Image Archivists. As a recognized film preservation and scholarship centre, the Board devotes \$5 million annually to the preservation, cataloguing and accessibility of its collection of over 9,000 titles. The CBC is currently working with provincial archives and regional archival groups to upgrade the facilities storing CBC material. In Newfoundland and Nova Scotia, the CBC is working with the provincial archives to create new audiovisual storage facilities.

While the preservation of traditional heritage formats, (three-dimensional artefacts and paper-based works) will continue be an area of interest, the impact of technology dictates that the long-term survival of information in electronic formats (e.g., audio-visual works, CD-ROMS, magnetic tapes) has become another priority area for heritage institutions. In addition to Parks Canada's responsibility for a considerable collection of archaeological and historic artefacts, the preservation of Canada's heritage buildings and sites is critical and needs to be linked to both the preservation of items of national significance and cultural infrastructure needs.

The Government's role in assisting the preservation of items of national significance can encompass preventive strategies, such as assisting institutions with the acquisition of threatened items, development of standards for record creation, provision of adequate storage facilities and preservation-related research and, treatment measures, including de-acidification of paper-based collections, restoration of deteriorated works, copying of heritage materials, and digitization of collections and preservation microfilming.

The Department of Canadian Heritage and its Portfolio agencies plan to:

- 1) further explore developing strategies aimed at the preservation of Canada's significant audio-visual heritage, in collaboration with national cultural agencies such as the National Archives of Canada, the National Film Board, Canadian Broadcasting Corporation and Telefilm Canada;
- 2) develop a permanent paper standard and support paper-based research;
- 3) mobilize Canadian youth through youth employment programs to make an effective contribution to microfilming projects in Canada's libraries to salvage disintegrating books and records on microfilm or on digital formats and to accelerate work on the restoration of other works in museums; and

- 4) monitor and assess the adequacy of current preservation activities in national heritage institutions and federal programs, including the preservation of information on electronic formats.

### *Strategy for Maintenance of Canada's Cultural Facilities*

#### **Recommendation No. 32**

**The Committee recommends that the Government of Canada re-establish a capital fund over three consecutive fiscal years, starting in 2001-2002, or sooner if possible, for essential maintenance to Canada's deteriorating cultural facilities.**

#### **Recommendation No. 33**

**The Committee recommends that the Government of Canada establish a long-term financial strategy to deal with Canada's deteriorating cultural facilities.**

**Response:** *Action will be taken.*

Cultural infrastructure is a fundamental element associated with cultural activity, its development and the quality of life in cities and rural communities. Adequate facilities to house cultural activities are essential to the proper presentation of live arts performances and for the fullest audience appreciation. The successful preservation and presentation of heritage collections and public access to exhibitions depend on adequate museum and archival facilities. National heritage buildings, sites and infrastructure, which have become part of Canada's designated cultural inheritance, require adequate attention and support to ensure the heritage integrity of these cultural resources and their continued survival and availability for the learning and enjoyment by Canadians.

The call for federal re-investment and long-term financial strategies in cultural infrastructure either housing cultural activities or having been designated as a part of Canada's national cultural inheritance reflects a legitimate need in both private and public arts and heritage organizations to ensure their continued viability, wide access to the public, protection of assets and ongoing preservation of Canada's heritage.

The Government is aware of approximately one hundred capital projects required by cultural organizations across Canada. The Canadian Heritage Portfolio agencies and Crown corporations have also identified capital needs for maintenance and health and safety repairs, and upgrading of equipment. Several are intense users of technologies that are rapidly changing and require upgrading both to produce the services they provide and to preserve and make their collections accessible to Canadians.

The Canadian Heritage Portfolio's physical infrastructure needs to be brought up to standard, to prevent the loss of artefacts and to replace obsolete equipment.

As set out in the Speech from the Throne, the federal government will seek to reach an agreement with provincial and municipal partners by the end of the year 2000 on a five-year modern physical infrastructure program for Canada, including projects in tourism, telecommunications and culture. The Department of Canadian Heritage is examining a range of policy instruments to encourage private support for and preservation of built heritage.

### *Research in Heritage Institutions*

#### **Recommendation No. 34**

**The Committee recommends that the Department of Canadian Heritage, in consultation with Canada's research agencies, examine the broadening of the criteria for research funding eligibility to ensure research conducted by Canada's heritage institutions is supported, where appropriate.**

**Response:** *Action will be taken.*

Canada's cultural heritage institutions currently conduct an array of scientific, cultural and social research. This research is funded by a number of means, including internal organizational allocations of general operating revenues (including government appropriations) and grants and contributions from partnerships with a wide variety of heritage and other public and private sector organizations. In addition, research support and services are available from the services of the Canadian Heritage Information Network and the Canadian Conservation Institute and national and provincial cultural heritage agencies.

Researchers in cultural heritage institutions are, by and large, not eligible for research grants from the Social Sciences and Humanities Research Council (SSHRC) and the Natural Sciences and Engineering Research Council (NSERC). Research grants from SSHRC and NSERC are restricted, by mandate, to researchers from post-secondary educational organizations, although until 1990 SSHRC grants were available to researchers in university-based cultural heritage institutions. SSHRC makes an exception to this rule by making grants available to literacy practitioners even if they are not employed by or attending a university.

Record creating and record keeping centres are facing new challenges as technology affects every aspect of traditional functions. The appraisal, acquisition, transfer, storage, control and dissemination of these records by archives requires research and development of new technology. Research in the area of audiences for the performing arts is also a pressing need. The erosion of audiences for the performing arts is a growing problem in Canada and many countries around the world. The Canada Council for the Arts would favour a focused study on audience development and social change in a national and international context. The Council considers that such a study on the issue of audience development would need to have an eye on the identification of practical and sustainable measures to help reverse or mitigate the impact of declining audiences.

A replication of the Canadian Consumer Arts Profile might therefore not be the best means to achieve this objective. In addition, the Canadian Museums Association's Natural Science Research Special Interest Group has identified the issue of the ineligibility of museums for NSERC grants as a topic for consideration.

The extent to which research in Canada is hindered by the ineligibility of researchers in cultural heritage institutions to obtain grants from federal research agencies requires assessment. The Department of Canadian Heritage proposes that a study be undertaken by an independent expert in all aspects of heritage research to assess: a) the need of researchers in cultural heritage institutions for access to grants from federal research agencies and, b) the impacts on both cultural heritage institutions and the federal research agencies of expanding the eligibility for research grants to cultural heritage institutions. This study would precede action on the Committee's recommendation.

*Community-based Heritage Institutions  
as Information Access Points*

**Recommendation No. 35**

**The Committee recommends that the Department of Canadian Heritage work jointly with key federal heritage institutions and appropriate federal departments to ensure that community-based heritage institutions continue to be an access point for information about programs, services and initiatives of relevance to Canadians offered by federal heritage institutions.**

**Response:** *Action will be taken.*

Currently, the Department of Canadian Heritage does not fund the creation of community access points in community-based heritage institutions but assists in the development of heritage-related content through, for example, the Museums Assistance Program. The heritage components of the Young Canada Works program draw on the expertise of young Canadians by hiring them to work on initiatives that increase public access to rural and urban heritage content. Industry Canada is responsible for the selection of community-based organizations to be awarded funding for the development of Community Access Program sites.

However, in the Speech from the Throne, the Government indicated that it "will become a model user of information technology and the Internet. By 2004, our goal is to be known around the world as the government most connected to its citizens, with Canadians able to access all government information and services on-line at the time and place of their choosing. We will build on a pilot project now under way to make [www.access.ca](http://www.access.ca) a personal gateway to government information and community content on the Internet, and we will encourage all Canadians to make use of this address".

The Web site and network of Canada Place in-person locations of the Department of Canadian Heritage, for which some funding was obtained as a Service Canada pilot project, will contribute to improve access. All Portfolio partners of the Department are participating in Canada Place, and their Web sites will in turn be linked to those of community-based heritage institutions.

Through the Community Access Program (CAP), Industry Canada provides funding to rural/remote communities to establish public Internet access sites, many of which are located in public libraries. Through the SchoolNet Program and efforts of provincial and private sector partners, Canada's schools and public libraries were connected to Internet by March 1999. Ensuring that all Canadians have affordable access to Internet is an important component of the Connecting Canadians objective. Selected Canadian libraries, participating in the Depository Services Program since 1926, provide access to federal government publications in the library. With the advent of electronic publishing by federal departments, this service can be assumed by all connected public libraries. Public libraries partner with governments to deliver information, services and electronic-commerce applications.

With federal departments working together, the Government will:

- 1) explore new options to assist public Internet Access sites and community-based heritage institutions to become more effective access points for information about programs, services and initiatives offered by federal heritage institutions;
- 2) encourage the development of Internet information concerning federal heritage services and programs;
- 3) review the issue of Canadian content as it pertains to heritage-related content and the capacity building of heritage institutions as community-based information centres.

#### *Proposal for a Canadian Archival Information Network (CAIN)*

#### **Recommendation No. 36**

**The Committee recommends that a Canadian archival information network be created that is modelled after the Canadian Heritage Information Network.**

***Response:*** Action will be taken.

In the Speech from the Throne, the Government stated its intention to bring Canadian culture into the digital age and to putting collections from the National Archives, the National Library and other key institutions on-line.

In that context, the Department of Canadian Heritage will:

- 1) facilitate discussions between the Canadian Council of Archives and the Canadian Heritage Information Network (CHIN) to examine the feasibility of the CHIN model for an archival information network;
- 2) consult key partners, including the archival community, Industry Canada, provinces and territories and the private sector, to develop a range of options for financing this initiative, suitable to all client-user needs, both urban and rural.

### *Statistics on Cultural Activity*

#### **Recommendation No. 37**

**The Committee recommends that the Department of Canadian Heritage ensure the collection of statistics on cultural activity be of the same quality and timeliness as those now available for other sectors of the Canadian economy.**

**Response:** *Action will be taken.*

The Government agrees that policy development and program design in the cultural area requires good available statistical data, and will continue the programs it has in place to further develop the depth and timeliness of such data from Statistics Canada and from sources outside the government. Particular needs and priorities to be addressed include the ongoing frequency of statistics relating to cultural industries, cultural services, baseline data, consumption and participation patterns in new technologies and new content forms, trade and services, cultural labour, international comparisons, and economic and social impacts.

Some important information is available from the private sector or can be obtained through private sector partnerships or initiatives. Consequently, where appropriate and cost-effective, the Government will work with the private sector to obtain or use such information. Information is required not only for research purposes but to monitor results and performance.

Current gaps in cultural statistics include annual cultural data for those industries surveyed only every two years: new media; trade in services and intellectual property; parts associated to areas of the cultural sector, such as advertising, architecture, design and tourism; and demographic and related information including youth, ageing, employment and self-employment, participation, consumption, productivity, and social cohesion. Data pertaining to the identification of Canadian content—its creation, production, distribution, consumption, and preservation—is uneven, as is data on the social and economic impact of culture.

Demands for timely and comprehensive cultural data are more frequent in view of significant environmental change in the cultural sector. Factors include globalization, demographic change, technological innovation, and restructuring (ownership, downsizing, convergence). Good data is key to putting together accurate industry and consumer portraits, explaining and predicting

change, and developing and implementing cultural policies and related measures. Correlating and harmonizing the results of central data sources (Statistics Canada) with the results of existing programs such as cultural-support programs, official language and multiculturalism programs, youth support, and others, may provide a further source of complementary policy-relevant data.

For international trade data on culture, it is essential to the Canadian position that the Canadian government possess a comprehensive and accurate statistical profile of the cultural sector. Thus the Canadian government must be able to identify the current exporter base and exactly which goods and services are being exported. In this way, government departments can better target their services and programs to improve cultural exporter support and to further develop cultural trade strategies on a national basis that respond to the sector's priorities. The current programs in place with Statistics Canada to improve our data collection in this area will be continued.

The Government is considering the following actions:

- 1) establish a federal cultural research committee and network to promote exchange of information, identification of research priorities and shared projects;
- 2) continue efforts to develop internationally comparable cultural indicators through such institutions as UNESCO, the Council of Europe, the Network on Cultural Policy, the OECD, the World Bank, and the World Trade Organization;
- 3) fund horizontal data projects seeking to redress gaps in priority areas including the measurement of attachment, connectedness, productivity, globalization and life-long learning;
- 4) fund annual cultural industry surveys where not currently available; and
- 5) commission a feasibility study mapping out alternative sources of cultural data and establish a cultural data bank under the direction of the Department of Canadian Heritage in collaboration with users and sources inside and outside government.

#### *Updating the Arts, Culture and Heritage Profiles*

#### **Recommendation No. 38**

**The Committee recommends that the Canadian Arts Consumer Profile of the arts and heritage sector (conducted in 1991-92) be updated and expanded.**

**Response:** Alternative approach is to be pursued.

Published in 1992, the Canadian Arts Consumer Profile was the first pan-Canadian survey of current and potential consumers of the professional performing and visual arts. It was intended to serve as a foundation for new marketing initiatives for the arts in Canada. The project was jointly funded by Communications Canada, the ministries responsible for culture in the ten

provinces, and the cities of Montreal, Vancouver, and Toronto, and carried out by two consulting firms (Decima Research and Les Consultants Cultur'inc, Inc.)

The study was made up of six questionnaires that surveyed performing arts audiences, visual arts purchasers and the general public between 1990-1991. Broad in scope, the study examined leisure activity patterns, sociodemographics, attitudes, and factors affecting attendance and consumption. Its purpose was to help arts organizations, promoters and distributors to better understand the nature and motivations of arts consumers in order to develop strategies for keeping regular arts consumers interested, encourage and interest the occasional arts consumer, and develop ideas for winning over the non-consumer.

The Department of Canadian Heritage is currently compiling a consumer profile for the film industry, and over time, for other cultural industries. While the information contained in the Canadian Arts Consumer Profile was useful, it is only one part of the larger picture of the importance of the arts to our society and economy. The Department is also working on the development of reliable, consistent and comprehensive measurement of the arts/culture/heritage sector that includes personal, societal and economic impacts.

Ongoing and developing partnerships with the private sector, the provinces and other cultural agencies, as well as the expertise of Statistics Canada in time-use and leisure activity surveys, should help maximize the value of research in the cultural sector and in meeting cultural data needs.

#### *Study on Tax Relief for Volunteers*

#### **Recommendation No. 39**

**The Committee recommends that the Department of Canadian Heritage, in consultation with appropriate federal departments, investigate the feasibility of developing incentives that provide volunteers with tax relief for legitimate expenses associated with their volunteer activities in the cultural sector.**

**Response:** *Alternative approaches to be pursued.*

The Prime Minister, in his response to the Speech from the Throne, underscored the Government's commitment to establish the foundation for a new, more effective partnership with the voluntary sector in the service of Canadians. This commitment recognizes the importance of volunteering as a way to enhance quality of life at the community level.

Volunteers play a crucial role in ensuring the health and vitality of the not-for-profit arts and heritage sector. Each year, hundreds of thousands of volunteers organize events, raise funds, sit on boards, teach, perform, do office work and maintain facilities for arts and heritage organizations across the country. In 1997, there were 452,000 arts and heritage volunteers in Canada. Volunteers in arts and heritage are directly contributing to the growth of a participatory society in which the opportunity to experience and engage in the arts and cultural life of our communities is more accessible and attractive to a greater number of individuals.

The voluntary sector is integral to the quality of life of Canadians, the vibrancy of communities and the vitality of civic and democratic institutions. Partnership with voluntary organizations is one of the principles that forms part of the Social Union Framework Agreement that was agreed upon by federal, provincial and territorial governments in February 1999.

The International Year of Volunteers in 2001 will provide Canadians with the opportunity to celebrate the achievements of Canada's everyday heroes. A large and comprehensive examination of the relationship between the Government and the overall voluntary sector is currently in progress. The intent of this collaborative examination is to work on the development of an effective mechanism for organizations in the voluntary sector to contribute to the development of social priorities and to help increase accountability and transparency in policy development. An important element of this examination is the report, *Working Together: A Government of Canada Voluntary Sector Joint Initiative*, released in September 1999. The report was prepared by a panel of experts drawn from the volunteer sector and the Government. It contains suggestions and recommendations for encouraging volunteerism and supporting organizations that rely on volunteer work. In that context, the Government will look at a range of possible mechanisms and incentives to support voluntary activity. As part of this undertaking, possible changes to the tax system will be carefully considered among other options, and issues of effectiveness and administrative complexity will be a key part of any decision in this regard.

### *Cultural Access for Children*

#### **Recommendation No. 40**

**The Committee recommends that federal government programs and services ensure access to cultural materials and activities for children.**

**Response:** *Action already taken.*

The Department of Canadian Heritage Portfolio allocates a portion of its public programming funds to children-oriented activities and products. The Government of Canada also supports and encourages the youth-related cultural initiatives that are developed and made available through many of the agencies of the Canadian Heritage Portfolio.

The Museums Assistance Program (MAP) of Canadian Heritage provides funding to eligible heritage institutions and galleries for projects that facilitate the access of children to museum activities and collections either through traditional visits, outreach programs, or through new media. This support is complemented by the active programming for children sponsored by Canada's national museums. For example, the Canadian Children's Museum of the Canadian Museum of Civilization provides access to many cultural materials and activities for children, on site and through regular and educational programmes for school groups and others, through summer and school break day camps (based on heritage themes) and *Cybermentor*, which is the Museum's outreach interactive program on the Web site.

The Cultural Initiatives Program (CIP) helps eligible arts organizations to undertake activities that ensure greater exchange of artists and artistic achievements. Over 40% of all festivals supported either specialize in children and youth, or have special programs dedicated to them. Similarly, the National Arts Centre's (NAC) current programming in theatre, dance and music recognizes the importance of providing cultural development to Canada's children and youth. For example, the NAC offers discount pricing to students for its performances. The Centre introduced an educational component to its Canada tour to reach youth and educators, by including a study guide and designing a Web site for youth.

The Book Publishing Industry Development Program (BPDIP) provides direct funding to eligible Canadian publishers of educational books and children's literature, while the National Library of Canada is involved in collecting, preserving, promoting and making available a comprehensive collection of Canadian books for children and young people.

Children and youth are part of the primary audiences of the programming Parks Canada makes available, such as its educational activities that include music, drama, art, literature and dance. Parks Canada's Web site features some of its SchoolNet projects aimed at children, e.g., *Images of Parks Canada*. A special program is in development to reach children in urban centres that will include a youth ambassador program in Montreal, the development of a major curricular unit for Grade 9 students in Ontario, and an exhibit in the Vancouver Aquarium.

Young Canada Works in National Parks and Historic Sites employs hundreds of high school students each summer, since 1996, at parks and sites across Canada to give them a chance to explore new facets of Canada's culture by living in a new environment and getting to know other students from across the country.

The National Archives of Canada is currently developing a Discovery Centre to showcase for children Canada's stories and virtual images. The National Library also works closely with schools and educators, for example, through its participation in the Arts Education Consortium and SchoolNet, which makes available some of Canada's published heritage to Canadian students through digitization. Since 1988, the National Library of Canada delivers the national program, Read Up On It, in partnership with the Canadian Library Association, the Association pour l'avancement des sciences et des techniques de la documentation, the National Literacy Secretariat, Canada Post and the Canadian Federation of University Women. The program is delivered each fall to encourage children to read Canadian books. Approximately 30,000 Read Up On It kits are distributed, with close to one million bookmarks for children, through libraries, schools and at special events. In 1993, the kit focussed on books dealing with Aboriginal peoples in Canada to mark the International year of the World's Indigenous People. In 1999-2000, the Canadian National Institute for the Blind is participating in the kit and has provided a listing of books for children produced in alternate formats (Braille and audio).

Film and television production for children is a critical, and in some cases, a commercial success story. Canada produces at least \$250 million in children's television annually. The CBC is one of Canada's foremost producers of works for children and youth. Many more works are now being created for this market by independent Canadian producers through the support of the

Canadian Television Fund, developed in 1996 by the Government to increase the quality and number of distinctively Canadian programs for broadcasting in Canada. Between 1996-1997 and 1997-1998, the Fund supported the production of 4,132 hours of programming which included 1,241 hours of children's programming. In 1999-2000 the Fund committed about 20% of its funds to this category, an increase to promote greater children's programming on Canadian television.

As the multimedia industry and technology evolve and as we better understand the needs of children in the new media environment, earmarking of funds for the production of children's feature film will be considered by Telefilm Canada. Telefilm Canada has also encouraged that Canadian Heritage spearhead an initiative in the context of the international network of cultural policy to adapt and implement a charter concerning the audiovisual rights of children.

The National Film Board (NFB) has consistently recognized the importance of educating and entertaining children and youth. Over 25% of the films used in schools are NFB products with many specially produced for use in schools. The youth market represents 40% of all video sales at the NFB.

The Government of Canada will continue to promote the development of children's abilities through greater access to cultural materials and activities, and through a number of incentives offered to eligible heritage institutions, arts organizations and other key players. In reviewing new arts and heritage initiatives submitted for funding, it will ensure that, wherever appropriate, cultural material and activities for children are included.

#### **Recommendation No. 41**

**The Committee recommends that the Minister of Canadian Heritage request the Canada Council for the Arts review its policies and programs to ensure that they recognize, support and encourage cultural activity in the lives of children.**

**Response:** *Action will be taken.*

The Canada Council for the Arts has long been aware that there is a great need to cultivate an appreciation of the arts among children and young people. Children represent an important element in any long-term audience development strategy and are a source of new and developing talent in all art forms and disciplines. Young audience development is one of the major priorities of the Canada Council for the Arts, and young audiences one of its key planning areas. In 1998-99, the Council funding in the area of young audiences totalled \$6.7 million. Two significant areas of support within the Council are theatre companies for young audiences, and publishers of children and youth literature. The Council intends to continue supporting such initiatives.

The Council has forged partnerships with provincial government agencies and the private sector to sponsor a number of Arts in the Communities projects. Projects dealing with children and young people are carried out by artists using various artistic media in collaboration with community institutions and organizations. This initiative is currently being evaluated to assess its long-term potential.

There is a growing interest in creating works for children and youth within the arts community in Canada. The importance of young audiences is gaining in appreciation in the performing arts, in books and magazines, in new media initiatives, and in film and video production. Some institutions, such as orchestras, are engaging artistic directors for young audiences to ensure that the programming on offer to the public is appealing and entertaining to young audiences. Other organizations such as theatre groups and dance companies are dedicating their energies to innovative programs for children and youth. This trend has been encouraged and supported by both the Canada Council for the Arts and the Government of Canada.

The Canada Council for the Arts endorses the Committee's recommendation that it review its policies and programs to ensure the recognition, support and encouragement of cultural activity in the lives of children.

### *Encouraging Donations to the Cultural Sector*

#### **Recommendation No. 42**

**The Committee recommends that the Department of Canadian Heritage, in consultation with the Department of Finance and the Department of Revenue, develop amendments to legislation to further encourage donations to the cultural sector.**

**Response:** *Action already taken.*

Private sector funding of professional not-for-profit performing arts organizations in 1996-97 was just under \$85 million, including money raised through individual donations, corporate donations and sponsorships, foundation grants, special events and trust funds. It amounted to roughly 20% of the operating revenue of 602 organizations across the country. In 1995-96, museums received \$73.8 million in private support, including individual donations, corporate donations, contributions from "friends" organizations and foundation grants, roughly 8% of their total operating revenue.

Canada has one of the most generous systems of tax assistance for donations in the world. Through the system of credits for charitable donations, individuals receive a federal tax credit of 17% on the first \$200 donated and 29% on any remaining portion of donations made in a year. In the case of large donations, this means that a very high proportion of the donation may be eligible to benefit from the 29% credit. Since the donation credit also affects surtaxes and provincial taxes, it can generate total tax savings of about 50 cents per dollar donated for individual donors.

By extension, incentives to encourage donations may include cultural organizations that qualify as charities. Tax assistance for charities has been enhanced in recent years. For example, over the past few years, the threshold for the higher 29% credit was lowered from \$250 to \$200, the amount of donations eligible for the credit was increased from 20% to 75% of net income, and the capital gains inclusion rate for gifts of qualifying securities was lowered from 75% to 37.5%.

The Department of Finance has received several representations to the effect that the changes that were made have been very effective in encouraging charitable donations. There are over 3,000 cultural organizations that benefit from this assistance as registered charities. The cultural sector in particular benefits from generous tax incentives. For example, gifts of cultural property are exempt from capital gains tax. The limit of eligible charitable gifts to 75% of net income does not apply to cultural gifts. Capital Cost Allowance may be claimed by businesses in respect of their cost of various types of artwork created by Canadians.

The Department of Canadian Heritage is currently consulting with its provincial counterparts to seek agreement on definition-related aspects touching on heritage structures, to consider the establishment of a common registry of heritage properties, and to consider what financial incentives would be required to encourage the preservation of heritage structures.

Given the existing level of tax assistance to the cultural sector, the Government undertakes to take also into account the effect of previous changes to the *Income Tax Act*, the future reviews, along with the measures for increasing charitable giving, before developing any new tax incentives. The provinces automatically share the cost of any measure affecting the tax base, through the federal-provincial tax collection agreements.

### *Building on Fundraising and Partnership Initiatives*

#### **Recommendation No. 43**

**The Committee recommends that within two years of presenting this report, the Department of Canadian Heritage:**

**43.1 Sponsor an information sharing initiative on fund-raising, partnership development and public awareness; and**

**43.2 Develop workshops to share that information with Canada's cultural institutions, taking full advantage of the latest technology.**

**Response:** *Action already taken.*

Through current and developing programs, the Department of Canadian Heritage supports the sharing of information on fund-raising and related management issues, and fosters the establishment of effective partnerships between Canadian arts and heritage organizations and the private sector. The Government of Canada's objectives include the creation of an environment

where artistic expression can flourish, cultural markets can develop, Canadian audiences can have increased access to Canadian cultural products and services, and Canada's heritage is preserved and accessible.

By providing funding to the Centre for Cultural Management at the University of Waterloo, for its on-line resource centre, Canadian Heritage encouraged the Centre to take advantage of the latest technology to develop distance-based virtual learning through its Cultural Management Institute, providing on-line professional development to cultural managers in the fields of business planning, board development, labour relations and more. The Government also provides funds to the Canadian Museums Association for its Special Interest Groups, which are information-sharing organizations for individuals involved in the museum field, either staff members or the public serving a museum in some capacity. The Special Interest Groups also coordinate workshops on particular subjects aimed at those individuals in the broad museum community interested in that specific aspect of museums. The Government also makes an annual contribution to the Canadian Museums Association for its professional activities.

In addition, the Government promotes the performing arts by fostering the celebration of the three international days in the performing arts (music, theatre and dance). This initiative is based on partnerships among governments and the arts community and seeks to raise public awareness of these art forms. The Government also funds a number of capacity-building stabilization projects through its Cultural Initiatives Program. These projects offer support to Canadian arts and heritage organizations to help them stabilize their operations and to provide technical expertise in areas such as fundraising, governance and management practices.

The Government undertakes to continue working with other levels of government and arts and heritage organizations using new and other appropriate technologies to encourage information-sharing, public awareness and partnership development.

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